

Civil Service Committee, it appears, in our opinion, that the then Assistant Attorney General spoke the truth when he said, in substance, that for the past 35 or 40 years the administrations have been giving merely "lip service" to antitrust enforcement.

What small business needs and demands is the full enforcement of the antitrust laws, and with no exceptions or omissions for anyone in Nation's business.

I'm attaching a copy of the Mandate, official publication of the federation, which you will note discloses the result of the Nation-wide poll. I'm also enclosing a copy of the testimony given on the Reed-Bulwinkle bill.

Sincerely yours,

GEORGE J. BURGER.

Some of his testimony is so to the point that I am forced to read it at this time:

In our opinion, the bill would legalize the growth of private monopoly in railroad transportation and reinforce its existence in other fields of transportation, such as motor and water carrier and pipe-line companies. Today monopolistic rates in railway transportation are seriously preventing recovery of private business in the United States.

In 1929 American business went into a profound depression.

Mr. WHITE. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WHITE. The Senate has been in session something over 6 hours. I wonder if the Senator would wish to proceed further this evening, or would desire that we might recess.

Mr. JOHNSTON of South Carolina. I will yield, provided it will not take me off the floor.

Mr. WHITE. I am sure that if the Senator asks unanimous consent that he be recognized when the Senate reconvenes tomorrow, there will be no difficulty about it.

Mr. JOHNSTON of South Carolina. Could I get unanimous consent?

Mr. McMAHON. Mr. President, reserving the right to object for a moment, I may say to the Senator from Maine that I have a statement which I should like to get into the RECORD concerning Mr. Gromyko's statement yesterday at Lake Success. It would take not over 5 minutes.

Mr. WHITE. If the Senator from South Carolina will now yield, with the understanding that he will be followed by the Senator from Connecticut, and that at the conclusion of the remarks of the Senator from Connecticut the Senate may recess, the Senator from South Carolina to be recognized when the Senate reconvenes tomorrow, will that be satisfactory?

Mr. JOHNSTON of South Carolina. It will be satisfactory to me.

Mr. SPARKMAN. Reserving the right to object, and of course it is not my intention to object, I should like to address an inquiry to the majority leader, as to when the calendar will be called again. I am asking the question with this situation particularly in mind, that there is on the calendar a bill to which I understand there is no opposition, H. R. 1874, Order No. 200, extending the time for the matching of road funds by the individual States. The time will expire on June 30; the States now are trying to make contracts for road construction,

and I think it is highly important to all the States in the Nation that this proposed legislation be enacted at the earliest possible moment.

Mr. WHITE. It is the purpose to have a call of the calendar within the next few days, and I hope the Senator from Alabama will be satisfied to take his chances upon the call of the calendar.

Mr. SPARKMAN. I certainly shall be. I merely wanted to propound that inquiry.

The PRESIDING OFFICER. The Senator from South Carolina yields the floor to the Senator from Connecticut, with the understanding that thereafter the floor will be yielded to the Senator from Maine, who will then make a motion to recess. Unanimous consent is requested that upon the meeting of the Senate tomorrow, the Senator from South Carolina be recognized.

Mr. WHITE. That is my understanding of the situation.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

INTERNATIONAL CONTROL OF ATOMIC ENERGY

Mr. McMAHON. Mr. President, yesterday at Lake Success, Mr. Gromyko made another speech. It was made before the United Nations Atomic Energy Commission, and has attracted much attention. It was previously advertised as heralding a break in the wall of Russian obduracy. It was advertised as meaning a change in the Russian position on the subject of international control of atomic energy, and I am sure most Americans awaited the speech with keen interest and with some degree of hope. That hope, however, has unfortunately been dashed. I have read Mr. Gromyko's speech, and I should like to make a few brief comments on it.

This so-called new Russian plan contemplates an international agency which would inspect the atomic activities of the member nations but could not control them.

The agency could only recommend action with the enforcement resting in the United Nations Security Council where the big power veto still would remain.

Each nation would own and operate its own facilities and carry on its own research, although the international agency would also carry on independent research.

The plan would begin with an international treaty outlawing atomic and other weapons of mass destruction.

Later a second treaty, or convention, would be agreed to, setting up the International Control Commission within the framework of the Security Council.

The Control Commission would have its own inspection staff with access to all nations' facilities for mining and production of atomic materials and atomic energy. It would make periodical inspections as it felt necessary, and special inspections if it suspected clandestine operations.

The Commission could not order any nation to do anything; it could only make recommendations, requests, and presentations. One type of recommendation would be to individual nations re-

garding the production, stock-piling, and use of atomic materials. The second type of recommendation would be to the Security Council with respect to measures for the prevention and suppression in respect to violators of the proposed treaties.

The International Commission would have its own laboratories and experimental facilities and materials, and conduct research in the peaceful uses of atomic energy. However, each nation would reserve for itself the right to carry on unrestricted scientific activities in the field of atomic energy, directed toward discovery of methods of using atomic energy for peaceful purposes.

Now, what does this new Russian plan mean?

It means that Russia, while clarifying her position, has not changed it regarding any one of the fundamental issues over which there is dispute.

Russia still wants to retain her veto power.

Russia still wants the United States to disarm unilaterally by scrapping her bombs before the control system is in effective operation.

Russia still refuses to accept the stage-by-stage timetable.

Russia still insists on national rather than international ownership and operation of atomic plants and facilities.

Russia still wants to leave the power of punishment of violators in the Security Council.

Russia still wants the international agency to remain powerless to enforce effective control.

Mr. President, I consider Mr. Gromyko's speech simply an attempt to gain favorable propaganda from unthinking individuals. It is in no sense a change of plan, nor does it demonstrate a change of heart.

The plan proposed by Bernard Baruch, a great American who has earned the gratitude of men of good will everywhere in the world, is fair and just. Its acceptance by the Russians would constitute a tremendous step forward to peace.

RECESS

Mr. WHITE. Mr. President, I move that the Senate stand in recess until 11 o'clock tomorrow forenoon.

The motion was agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate took a recess until tomorrow, Friday, June 13, 1947, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 12, 1947

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our Lord, at this hallowed moment we would have an altar in our breasts where we may confess our sins, renew our vows, and ask Thy blessing. In Thy bountiful mercy be Thou the source of our understanding, and remove from our hearts all undue anxiety, that constructive reason may give us the vision of our common duty.

We pray Thee to redeem our country from divisive groups that would paralyze the spirit of justice and personal rights. We praise Thee that we need not look to any other government for ideas, help, or inspiration, but rather to our historic fathers who realized the immortal truth that a nation divided against itself cannot stand. Shame upon any citizen who would repudiate his own homeland through resentment or for personal gain.

Dear Lord, grant that the Members of Congress this day may have the seal of Thy blessed approval upon their labors, and be bound one to another with the cords of Thy holy purpose.

We pray in the name of Him who is the chief cornerstone. Amen.

The Journal of the proceedings of yesterday was read and approved.

THE LATE HONORABLE DAVID I. WALSH, A FORMER MEMBER OF THE SENATE OF THE UNITED STATES

The SPEAKER. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, it is with deep regret that I must announce to the House the death of a former Member of the Senate of the United States, the late David I. Walsh.

During his lifetime Senator Walsh symbolized the spirit of America. One of a family of ten, he took advantage of our institutions of Government and became in his life one of the most prominent and outstanding statesmen of the Commonwealth of Massachusetts and of our Nation.

Born in Leominster, Mass., on November 11, 1872, he attended the schools of Clinton, Mass., graduating from Clinton High School and later from the College of the Holy Cross, Worcester, Mass. In 1897 he was graduated from the Boston University Law School. A number of our colleges and universities have recognized the great contribution he made during his lifetime by conferring upon him honorary degrees. Among those colleges were Holy Cross, Georgetown, Fordham, and Notre Dame.

With brilliancy he represented the Commonwealth of Massachusetts as Lieutenant Governor and Governor. And for years he served in the Senate of the United States. He was always the advocate of a strong navy, recognizing it as our first line of defense. He also served for years with distinction as the chairman of the Senate Committee on Naval Affairs.

His progressive mind and outlook was always evident in his support by voice and vote of progressive legislation in the best interests of the people. My first public office was as a member of the Constitutional Convention in 1917, in which body I served with the late David I. Walsh. Our close friendship dates from that time.

David I. Walsh has left his strong favorable imprint on the pages of the history of Massachusetts and of the Nation. In his death I have lost a personal friend. His legion of friends and admirers grieve his passing.

Massachusetts has lost one of its outstanding sons, and the Nation one of its most prominent statesmen.

Mr. LANE. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to my colleague from Massachusetts.

DAVID I. WALSH, PIONEER LEADER OF MASSACHUSETTS DEMOCRACY

Mr. LANE. Mr. Speaker, we remember him as the champion of the American Navy, and for that fact alone a grateful Nation mourns his passing.

In the years before the war, the people of the United States were indeed fortunate that David I. Walsh was chairman of the Senate Naval Affairs Committee, lending his voice and his influence to building a strong navy. It is no exaggeration to say that many, many American lives were saved and the war considerably foreshortened by the vision and determination of this able public servant.

At the age of 74, worn out by his labors in behalf of Massachusetts and the Nation, David I. Walsh has been called to his reward.

He was a gentleman and a patriot who never spared himself in the service of others. We who were privileged to know him will miss his friendship and his wise advice.

Several times my path crossed his during the political campaigns of last fall. Though I was immediately interested in my own contest, I was impressed by the dignity with which this elder statesman was waging his fight. He was old and he was tired, but he fought hard and clean, fighting a losing battle against a younger statesman who had resigned from the other seat in the Senate representing Massachusetts to serve his country in World War II. It was obvious, early in the campaign, that youth must be served, but Senator Walsh went down to defeat without saying one unkind word about his opponent. Both men knew and respected one another. Senator Walsh's career came to a close, but he accepted it with a dignity which I shall never forget. It did honor to the man.

Here was the son of working-class parents, who overcame every advantage which others possessed, pulling himself up by his own bootstraps to become a leader in his State and in the Nation, facing the sunset of his career with wisdom and tolerance which earned the admiration of friend and foe alike. This was the measure of his character and of his Americanism.

As a child, I remember hearing the grown-ups speaking of David I. Walsh. To my youthful fancy, he seemed like a knight in shining white armor who was out to slay the dragons of bigotry and intolerance. As I grew older, I was charmed by the alert intelligence, the eloquence, and the zeal which he displayed in behalf of the underprivileged. To those of us who grew up on the other side of the tracks, David I. Walsh was our champion, proving that the promises of democracy could become realities. He inspired us by example.

He was born of the union of James and Bridget Donnelly Walsh, at Leominster, Mass., on November 11, 1872. Working his way through school, he received his A. B. degree from Holy Cross College in 1893, and his bachelor of laws degree from Boston University in 1897. As a

struggling young lawyer, he was fascinated by politics and began his career in the most practical way, as a member of the Democratic town committee. The first recognition of his worth came when he was chosen by the citizens to serve as town moderator. But the youthful David, stirred to righteous anger by the meager pay and back-breaking hours and wretched working conditions of the laborers in the factories of Massachusetts, set himself the goal of correcting these abuses. He won a seat in the Massachusetts Legislature, but most of the time he was on his feet fighting for progressive labor legislation. Seldom had the staid old hall on Beacon Hill heard such passionate pleading, backed by irrefutable facts, in behalf of the depressed workers of the Commonwealth. Even the Republicans, inured to special privilege, sat up and took notice. Here was new blood, demanding a voice in the making of the laws and reminding the complacent that democracy can never stand still. It must evolve with life or wither and die.

The crusading figure of David I. Walsh caught the imagination and belief and active support of the people.

In 1913 he was elected Lieutenant Governor, and in 1914 and 1915 he broke the long Republican monopoly and served two terms as Governor of the Commonwealth. With an interruption of but 3 years—1924–27—he was a United States Senator from Massachusetts from 1919 to 1946. It was a truly remarkable record, testifying to the confidence of the people in his stewardship. David I. Walsh was first and last a Democrat, but the quality of his statesmanship was such that he won the votes of many Republicans as well as the solid backing of his own party.

On the domestic front Walsh worked constantly for economic justice. His most conspicuous contribution in the field of constructive labor legislation was as coauthor of the Walsh-Healey Government Contracts Act. Even at that time—1936—the Federal Government was one of industry's greatest consumers. As industry made extensive profits on these sales it was only fair that labor should share in the gains. Under Walsh's leadership, the Congress inserted labor terms in all contracts made by producers with the Federal Government in amounts over \$10,000. These contractors were required to pay not less than the prevailing rate of wages in the locality, they were to abide by an 8-hour day and a 40-hour week, and they were prevented from employing boys under 16 years of age and girls under 18. Within given areas of industrial enterprise the Walsh-Healey Act established minimum standards of employment. It helped to implement the new social and economic concept of a basic security for all.

With growing knowledge and experience, David I. Walsh saw the dangers looming up on the international horizon. He realized that the United States, preoccupied with its internal problems, was oblivious to these dangers, and woefully unprepared to meet them. As chairman of the Senate Naval Affairs Committee he constantly warned the Nation of its exposed position. In committee and on

the floor of the Senate he fought for an adequate, modern Navy to serve as our first line of defense. Because of his untiring efforts, when the Japs made their sneak attack on Pearl Harbor we had a Navy—a Navy which prevented them from taking Hawaii and bombing the west coast, a Navy which broke the Nazi submarine blockade, a Navy which, in the final analysis, was the the margin of strength by which we were enabled to recover, fight back, and preserve our freedoms.

I have spoken of his services to the Nation, but here in Massachusetts, where he comes home to rest, we shall remember him with affection as the pioneer of the Democratic Party. Almost single-handedly, David I. Walsh raised the party of the common man to that position of influence and responsibility where the promises of democracy were fulfilled. Wherever, in our State, humble young men are beginning their careers they will remember and be inspired by the example of David I. Walsh.

In the hearts of all veterans, whether they served in the Army or Navy, there is a feeling of bereavement. David I. Walsh was their friend and protector. In the high councils of the Nation he also served with intelligence, with energy, and devotion.

If ever a representative of the people deserved the following epitaph, it is David I. Walsh, of Massachusetts:

"Well done, good and faithful servant."

May his immortal soul find the happiness which he has earned.

Mr. LYNCH. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to my distinguished friend from New York.

Mr. LYNCH. Mr. Speaker, I join with the other Members of the House today in expressing my deep regret at the passing of Hon. David I. Walsh, former Senator from Massachusetts. I can well recall years ago on the day of my graduation from Fordham University when he received an honorary degree from that great university, and addressed us of the graduating class. His words have long lingered in my memory. I have looked upon him as one of the great leaders of American life. I believe he has done more to encourage those on the threshold of life than any other man I know of in public service.

I wish to express my deep regret at the passing of Senator Walsh. At the same time I know he goes to the reward which he so justly earned upon this earth.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Mississippi.

Mr. RANKIN. Mr. Speaker, I wish to join the gentleman from Massachusetts in paying tribute to Senator Walsh.

I am reminded of the poet's lines:

A king once said of a prince struck down,
"Taller he seems in death";
And the speech holds truth,
For now as then,
It is after death
That we measure men.

As the friends of Senator Walsh and the American people generally come to

appreciate the patriotism of David I. Walsh, his stature will grow larger in the estimation of coming generations.

Mr. McCORMACK. I thank the gentleman and the others who made their contribution to our late friend and colleague, David I. Walsh, who served with such distinction in the Senate of the United States.

I might note in passing that it was only last Saturday that he was visited with tragedy in the loss of a sister. His sister died last Saturday and our late friend died yesterday.

To his remaining two sisters I know I speak the sentiments of all of my colleagues in the House when I extend to them our deep sympathy in their great loss and sorrow.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I feel a very personal loss in the passing of Hon. David I. Walsh, of Massachusetts. He will go down in history as one of the greatest statesmen of our country. His services of over a quarter of a century in the United States Senate are outstanding in accomplishment and in help to humanity. His whole life in the public service of the State and the Nation was devoted unselfishly and loyally for the welfare of all. He was a man of great courage, of most unusual vision in State, national, and international affairs. During the many years I served with him here at the Capitol, he was always a loyal unfailing friend in time of need. Many times I consulted with him and his wisdom and loyalty never failed. His development of our great Navy during the years he served on the Senate Naval Affairs Committee was of untold value not only to America, but to the entire world. His fight for the institutions of our country and his efforts to preserve them will go down in history as one of the great accomplishments of our times. Massachusetts and the Nation in the passing of Hon. David I. Walsh mourn the loss of a man of fine Christian character; a most devout Catholic; a statesman of great accomplishments in State and Nation.

Mr. DONOHUE. Mr. Speaker, it was with profound sorrow and a keen sense of personal loss that I received the news of the passing of a dear friend, neighbor and advisor, one of Massachusetts outstanding citizens, the late Senator David Ignatius Walsh.

Senator Walsh typified everything that is dear to the hearts of every real American. An inspiration to the youth of this country, in that his life portrays the opportunities available, under our form of government, for any one who has the will, the industry, and the ambition to be successful in any field of endeavor.

Senator Walsh was one of a large family of poor, immigrant parents, but as a result of his untiring efforts and hard work, he entered Holy Cross College, Worcester, Mass., from which he graduated in 1893; later graduating from Boston University School of Law, in 1897, he became one of Massachusetts ablest lawyers; twice elected its governor, and its distinguished Senator for the past 26 years.

Today the people of Massachusetts and this Nation mourn the passing of a great statesman who gave the greater

part of his life in public service to his fellow men.

It has never been more truly said of any man that he "laid down his life for his friends." During the recent critical war years, he labored unceasingly with his unsurpassed energy, experience and wisdom on behalf of his beloved country. The contribution that he would have made in this reconstruction period will be sorely missed.

I know that we could make no better resolve in his memory today than to pledge ourselves to carry out our Representative responsibilities in the spirit and sacrifice of the late Senator David I. Walsh, who did, indeed, give his life to the service of his people.

I am honored to have called him friend. I am proud to accept his inspiration.

Although his presence will be missed among us, his record of devotion to public duty will remain forever, and to us, his friends, the memory of his estimable character will remain a treasured asset.

DRAW-BACK ON EXPORTATION OF DISTILLED SPIRITS AND WINES

The SPEAKER. The Chair recognizes the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk H. R. 959, to amend section 3179 (b) of the Internal Revenue Code, and ask for its immediate consideration.

The Clerk read the title of the bill.

Mr. RAYBURN. Mr. Speaker, reserving the right to object, I have no objection, but for the Record I think the gentleman from New York should explain briefly what the purpose of the bill is.

Mr. REED of New York. This is a bill which was introduced by the gentleman from New York [Mr. LYNCH], a member of the Committee on Ways and Means. It was reported favorably by the Committee on Ways and Means. It has for its purpose to facilitate the exportation of distilled spirits and wines by permitting the use of casks or packages—barrels or similar containers—other than bottles in packaging tax-paid distilled spirits and wines for export with benefit of draw-back.

Section 3179 (b) of the Internal Revenue Code now provides for the allowance of a draw-back equal to the tax found to have been paid upon the exportation of tax-paid bottled distilled spirits and wines which have been bottled especially for export.

Under existing law distilled spirits and wines upon which the internal-revenue taxes have been paid may be exported in casks or packages with benefit of draw-back only if those casks or packages are distillers' original casks or packages containing not less than 20 wine-gallons as required by section 2887 of the Internal Revenue Code.

This bill H. R. 959 would amend section 3179 (b) of the Internal Revenue Code to provide for the allowance of draw-back upon the exportation of tax-paid distilled spirits and wines of domestic manufacture or production contained in any cask or package or in bottles packed in cases or other con-

tainers if such distilled spirits and wines have been packaged or bottled especially for export.

Mr. RAYBURN. Mr. Speaker, I withdraw my objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (b) of section 3179 of the Internal Revenue Code is amended to read as follows:

"(b) Draw-back: Upon the exportation of distilled spirits and wines manufactured or produced in the United States on which an internal-revenue tax has been paid, and which are contained in any cask or package or in bottles packed in cases or other containers, there shall be allowed under regulations to be prescribed by the Commissioner, with the approval of the Secretary, a draw-back equal in amount to the tax found to have been paid on such distilled spirits and wines: *Provided*, That such distilled spirits and wines have been packaged or bottled especially for export, under regulations prescribed by the Commissioner, with the approval of the Secretary. The Commissioner, with the approval of the Secretary, is authorized to prescribe regulations governing the determination and payment of draw-back of internal-revenue tax on domestic distilled spirits and wines, including the requirement of such notices, bonds, bills of lading, and other evidence of payment of tax and exportation as shall be deemed necessary."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMERGENCY FLOOD-CONTROL WORK

The SPEAKER. The Chair recognizes the gentleman from Indiana [Mr. WILSON].

Mr. WILSON of Indiana. Mr. Speaker, I ask unanimous consent for the immediate consideration of H. R. 3792, to provide for emergency flood-control work made necessary by recent floods, and for other purposes.

Mr. RICH. Mr. Speaker, reserving the right to object, I wish to ask the gentleman if this resolution permits the Army engineers to take care of all the floods that have occurred during the year 1947 up to this time.

Mr. WILSON of Indiana. Mr. Speaker, the bill authorizes the Army engineers to determine what levees have been damaged by recent floods, and also it makes available whatever funds are not expended for past or recent floods to be used for floods that may occur in the future.

Mr. RICH. Everyone knows we have been having a series of floods on the Mississippi River and we all want to give attention to those localities on the Mississippi that have been damaged. But I wish to call attention to the fact that a disastrous flood occurred in Bradford, Pa., in May 1946.

In April 1947, there was another flood in Bradford. A lot of damage has been done in several of those small communities. I want to know if we pass this bill whether the Army engineers are going to look after those flooded areas as well as the Mississippi River.

Mr. WILSON of Indiana. I can assure the gentleman from Pennsylvania that flood damages, no matter where they

occur in this country, are covered as completely as possible.

Mr. RICH. I want the Army engineers to look after that.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the sum of \$15,000,000 is hereby authorized to be appropriated as an emergency fund to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers for the repair, restoration, and strengthening of levees and other flood-control works which have been threatened or destroyed by recent floods, or which may be threatened or destroyed by later floods: *Provided*, That pending the appropriation of said sum, the Secretary of War may allot, from existing flood-control appropriations, such sums as may be necessary for the immediate prosecution of the work herein authorized, such appropriations to be reimbursed from the appropriation herein authorized when made: *Provided further*, That funds allotted under this authority shall not be diverted from the unobligated funds from the appropriation "Flood control, general," made available in War Department civil functions appropriations acts for specific purposes.

SEC. 2. The provisions of section 1 shall be deemed to be additional and supplemental to, and not in lieu of, existing general legislation authorizing allocation of flood-control funds for restoration of flood-control works threatened or destroyed by flood.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CIO OPPOSITION TO THE LABOR BILL

Mr. HARTLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HARTLEY. Mr. Speaker, earlier this week some 60,000 members of the CIO held a mass meeting at Madison Square Garden in the city of New York. One of the principal speakers at this rally was Mayor William O'Dwyer of the city of New York who apparently has none of that attribute of minding one's own business.

What I wish to report to you, however, is that while these 60,000 members of the CIO were urging President Truman to veto this bill which passed both Houses of Congress by a majority of both parties, reverberating through Madison Square Garden were cries of "Henry Wallace for President."

(The newspaper article referred to follows:)

RAYMOND MOLEY SAYS BIG LABOR'S COSTLY HOKUM PUTS BIG BUSINESS IN SHADE

When the holding company bill was going through Congress, in 1935, New Dealers had a lot to say about the efforts of the companies to prevent its passage. They denounced the flocks of telegrams, the paid advertisements and the power lobby.

What have they to say now of the frantic efforts of labor leaders to kill the Taft-Hartley bill? It was reported, 2 weeks ago, in the New Republic that \$1,500,000 had been set

aside for this campaign, and that between \$300,000 and \$400,000 of this was for radio.

Thousands of dollars in talent are being contributed by soap opera queens and lowly continuity writers, famous playwrights and successful musicians and composers of jingles and big-time theatrical press agents.

Slogans, emotional appeals, stunts and occasional serious arguments are being pumped into the ears of the listening public. And constant exhortations are broadcast to write to the President to kill the fiendish attack on the workingman.

Some of the argument is raw demagoguery. The usually calm and reasonable Mayor William O'Dwyer was induced to give a radio harangue in which he called the new bill "a stab in the back of our free labor movement" and said: "This law gives positive aid and comfort to the totalitarians."

The bill is neither a stab nor is it aimed at the back of labor. It is an effort to curb the excesses of certain labor leaders.

Nor does the bill increase the regulatory power of Government. It reduces the part Government has been playing in collective bargaining under the Wagner Act.

There was much to criticize in the opposition to early New Deal legislation. It was costly and it contained plenty of misrepresentation. But it never reached the degree of hokum that the campaign against the labor bill has assumed.

There was loud denunciation of corporations in 1936 for spending stockholders' money in propaganda. But in the present instance, the funds of unions are presumably being expended by the officers. And the rank-and-file membership are, in reality, the stockholders. Surely they are the ones who contributed the money to the union funds.

SUGAR RATIONING

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, just a short time ago the Banking and Currency Committee reported a bill to discontinue sugar rationing. The Rules Committee yesterday reported a rule so that we could get action on that, if necessary, today. Last evening the majority leader, the gentleman from Indiana [Mr. HALLECK] made a statement in reference to what was going to be taken up today and said that a rule on the sugar-decontrol bill had just been filed and that he should like to dispose of that today. At the same time the Secretary of Agriculture was asking the Appropriations Committee for more money for its continuation. When the Secretary heard the bill was coming up today he knew what was going to happen. We Republicans would decontrol household sugar. So he took the bull by the horns and he said at midnight, "We will have no more sugar rationing." In other words, the Republican Party had him over the sugar barrel. Therefore Mr. Anderson issued that order last night at midnight. Now we do not have to monkey with household sugar rationing any longer and thank goodness for that, our wives can get sugar for canning and we can save our fruits, and cut down our living expenses.

Mr. Speaker, in a deficiency appropriation bill we will consider shortly there is a sum to continue sugar rationing. Let us cut out all these appropriations for

sugar rationing. Let us cut out a lot of this rationing that we have been indulging in, it is rash stuff, because the quicker we get back to the old fundamental principles of the American doctrine of letting the people run this country instead of the bureaucrats here in Washington, the better this country is going to be, the better they will like it and the better off we will be as Members of Congress. Let us do our job and cut out bureaucratic control of the American people which was saddled onto the people by the Democratic new deal during the past 14 years. Get the country on its feet again with freedom.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, it is, of course, very disappointing to the gentleman from Pennsylvania and a good many others when they get a little dirt removed from under their feet. Of course, everybody who knows anything about this question appreciates that the Secretary of Agriculture has been working on this matter for many weeks. Many have known, including members of the Committee on Appropriations, that it was daily expected that the Secretary of Agriculture would do what he has done. The thing that hurts the gentleman from Pennsylvania is that the newspapers of the country this morning headlined the matter that the Secretary of Agriculture had removed these controls and that the Republican Party in the House and Senate did not remove them. I can appreciate the great disappointment of the gentleman from Pennsylvania that the headlines did not go out all over the country that the Republican Party had been responsible for this.

Mr. RICH. I am not disappointed at all.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Mr. Speaker, the RECORD should be very clear. I happen to be a member of the deficiency subcommittee to which the distinguished gentleman from Texas has referred. I may say to the gentleman that the Secretary of Agriculture was before this deficiency subcommittee, and if you will turn to the bill that will be considered in a few moments you will see on page 6 of that bill where we provide him with the funds to continue payment for the personnel involved in sugar rationing. They are the same eight-hundred-and-odd personnel that he said in his statement to the press last night he was going to remove immediately. The Secretary of Agriculture was before this same committee as late as 4 o'clock yesterday

afternoon and did not advise the Appropriations Committee of his change of attitude, that he was going to do away with sugar rationing as of midnight last night.

Let us take politics out of this thing. He was still asking this Congress to give him the money in a supplemental deficiency appropriation which you will have before you in just a minute to pay for the people that he said last night in his hurry up to beat the gun on this proposition he is going to discharge immediately.

Mr. RAYBURN. Mr. Speaker, if the gentleman will yield, an amendment will be in order, of course, to reduce that appropriation.

Mr. KEEFE. The gentleman may be sure that an amendment will be in order, and an amendment will be offered, but I think my distinguished friend the gentleman from Texas [Mr. RAYBURN], who is laughing up his sleeve, will find that the American people are not fooled about this, and that the Secretary's hand was forced, and he never gave an inkling except to say that he was going to keep these people on for an indefinite period, but he was forced by the Republican attitude in this matter to act.

WATER CONVERSION

Mr. WELCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include a resolution which I am introducing today.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH. Mr. Speaker, I have just introduced a resolution which requests the Secretary of the Interior, through the Bureau of Reclamation, to look into and report to Congress on the engineering and financial feasibility of diverting surplus waters from other river basins for use in southern California and in the Colorado River Basin generally.

So far as southern California is concerned, I am persuaded that the time is approaching when it shall have to say: "We can accommodate no additional people until we get more water." The population of California, and of southern California particularly, has grown by leaps and bounds. It shows signs of continuing so to grow. Yet, consistent with other justifiable developments in the Colorado River Basin, there is no sign of the availability of an increasing water supply to southern California. In 20 years, the full utilization of all present sources of water supply available to that area will have been reached. The Colorado River Basin and southern California are arid. Already our most magnificent water projects have been built there. Without them, the present growth would not have been possible. The future of these areas depends on far-sighted planning now, and development later on a scale hardly dreamed of a few years ago.

Other river basins are blessed with abundant water supplies—supplies so abundant that, each year, thousands of acre-feet of good water are wasted into the ocean. In this connection, I think particularly of the Columbia River. I

do not regard it as too fanciful to suggest that ways and means be found to divert, from some point whence it would otherwise be wasted into the sea, a portion of the surplus waters of that ideal stream. Let me emphasize the word "surplus," for it is extremely important. The Columbia River Basin has barely begun the utilization which is there possible of the waters of its great river for irrigation, power, and other useful purposes. I want to see full development of that utilization in the Columbia River Basin itself. But, so immense are the water resources of that basin that, even after full development in its basin, after it has served all of the great projects and power plants that are planned, there will be surplus water below Bonneville Dam available for the Colorado River Basin. What some of that surplus would mean to southern California, for instance, is beyond measure.

The Central Valley project moves water from Shasta Dam south to a point near Bakersfield, almost 500 miles. This southward shift must be continued progressively in the years to come.

My resolution will, under the general investigation provisions of the reclamation law, make it possible for Reclamation engineers to be assigned promptly to the task of investigating the feasibility of bringing surplus water into the arid basins where it is going to be so badly needed. Of course, this is not a job that can be done in 1 year or even in two; but it is a job that ought to be started, handled imaginatively, and prosecuted vigorously, so that the President and the Congress and the people of the West will have the complete picture and will be enabled, then, to adopt a long-time plan of action.

The resolution I am introducing today reads as follows:

Resolved, That the Secretary of the Interior through the Bureau of Reclamation is requested, under and by virtue of authority conferred upon him by the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto) for general investigations relating to proposed Federal reclamation projects, to investigate and report as soon as practicable to the President and the Congress on the engineering and economic feasibility and economic justification of diverting surplus waters from other basins to southern California and the Colorado River Basin and the practicability of exchanges of waters, and other possibilities for effecting improvement in the distribution and utilization of the water resources of the West: *Provided*, That such investigations and reports shall be made, among other things, in accordance with the policies and procedures laid down in section 1 of the act of December 22, 1944 (58 Stat. 837).

EXTENSION OF REMARKS

Mr. SEELY-BROWN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. FARRINGTON asked and was given permission to extend his remarks in the RECORD in two instances; to include in one an article relating to the Smithsonian Institution, and in the other an editorial relating to statehood of Hawaii.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include a statement he made be-

fore the Committee on Public Works on the bill H. R. 3036.

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the Record in regard to the appointment of Emmet O'Neal as Ambassador to the Philippines, further to extend his remarks and include a statement he made concerning the Hungry Horse project appropriation before a Senate committee, and in another extension in two parts, to include a speech he made before the National Federation of Catholic Students at New York last Monday.

Mr. KLEIN asked and was given permission to extend his remarks in the Record and include some remarks by J. Edgar Hoover on communism.

VETERANS' ADMINISTRATION HOSPITAL, FORT WAYNE, IND.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include two resolutions and a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GILLIE. Mr. Speaker, I have just placed in the hopper a joint resolution providing that the proposed Veterans' Administration Hospital at Fort Wayne, Ind., shall be known and designated on the public records as the Thomas Lau Suedhoff Memorial Hospital.

Tom Suedhoff, a staff sergeant in the Infantry, died in combat on October 13, 1944. He met an heroic death on the battlefields of Europe during the dark days when America's destiny was in the balance.

During his service in the European theater, Tom volunteered to lead a detachment la region de Lyon in establishing a road block on the main highway on the east side of the Rhone River near Valence, France, thereby saving the lives of many of his comrades.

The mission was successfully completed in spite of intense small arms and mortar fire. During this battle Tom was wounded and taken by plane to Naples, where he died a short time later.

Tom's decorations include the Purple Heart, Good Conduct Medal, Combat Infantryman Badge, the Presidential Citation with an extra cluster, the Bronze Arrowhead for D-day spearheading in southern France, together with the Silver and Bronze Stars. He was later awarded the French Croix de Guerre with Bronze Star in the name of the French Nation.

Tom lived in Fort Wayne within a few blocks of the site of the new Veterans' Administration Hospital and played on these grounds when he was a boy.

He was a graduate of North Side High School in Fort Wayne and the University of Pennsylvania's Wharton School of Finance. He is the son of Mr. and Mrs. Carl J. Suedhoff, of Fort Wayne. Tom's father, a veteran of World War I, has long been prominent in veteran's and civic affairs in the Fourth Congressional District of Indiana.

Fort Wayne is proud of Tom Suedhoff and his many comrades who fought and died in defense of their country.

The resolution naming the new veterans' hospital after Thomas Lau Suedhoff has the support of the entire community, and I urge that it receive immediate consideration.

Under leave to extend my remarks in the Record, I include the following resolutions in support of this measure; together with an article from the Fort Wayne (Ind.) News-Sentinel:

JIM EBY POST, No. 857,
VETERANS OF FOREIGN WARS,
Fort Wayne, Ind., May 21, 1947.

Hon. GEORGE W. GILLIE,
Washington, D. C.

DEAR SIR: At a regular meeting of Jim Eby Post, No. 857, Veterans of Foreign Wars, Fort Wayne, Ind., held on Tuesday evening, May 20, 1947, the members present voted unanimously to adopt the following resolution:

"Whereas there is to be established a veterans' hospital here in Fort Wayne, Ind., and such hospital will have the status of a memorial hospital bearing the name of a dead comrade; and

"Whereas Staff Sgt. Thomas Lau Suedhoff, a member of Jim Eby Post, No. 857, VFW, a comrade who died October 13, 1944, a hero's death as the result of wounds received in combat, la region de Lyon. A comrade who was many times decorated for heroic and meritorious service, a comrade who was the first soldier in Indiana to receive a Bronze Star, and whose other decorations consisted of Silver Star, Purple Heart, Combat Infantry Badge, Good Conduct Medal, and Croix de Guerre with Bronze Star; and

"Whereas Jim Eby Post, No. 857, VFW, is proud to remember that Staff Sgt. Thomas Lau Suedhoff was a comrade and a gallant and brave soldier who gave everything for his country—he made the supreme sacrifice: Therefore be it

"Resolved, That Jim Eby Post, No. 857, Veterans of Foreign Wars, go on record as recommending that said veterans' hospital to be located in Fort Wayne, Ind., be named Thomas Lau Suedhoff Memorial Hospital."

Yours truly,

MELVIN J. CURTIS,
Commander, Post No. 857.

RESOLUTION PASSED BY GENERAL MEMBERSHIP OF
DAVID PARRISH POST, NO. 296, THE AMERICAN
LEGION, ON MAY 23, 1947

Whereas there is to be established a veterans' hospital in Fort Wayne, Allen County, Ind., and such hospital will have the status of a memorial hospital bearing the name of a dead comrade; and

Whereas this American Legion post believes that said memorial hospital should be named after one of Fort Wayne's own war dead; and

Whereas Staff Sgt. Thomas Lau Suedhoff died on October 13, 1944, a hero's death as a result of wounds received in combat la region de Lyon while establishing a road block on a main highway on the east side of the Rhone River near Valence, France, and who was many times decorated for heroic and meritorious service and who was the first soldier of World War II from Indiana to receive a Bronze Star and who received many other decorations, including the Silver Star, Purple Heart, Combat Infantry Badge, Good Conduct Medal, Croix de Guerre with Bronze Star, Presidential citation with extra cluster, and Bronze Arrowhead for D-day spearheading in southern France; and

Whereas David Parrish Post, No. 296, the American Legion, Department of Indiana, is proud to remember Staff Sgt. Thomas Lau

Suedhoff as a gallant and brave soldier who gave everything for his country and who made the supreme sacrifice: Now, therefore, be it

Resolved, That David Parrish Post, No. 296, the American Legion, Department of Indiana, go on record recommending that said veterans' hospital to be erected in Fort Wayne, Ind., be named the Thomas Lau Suedhoff Memorial Hospital.

That a copy of this resolution be spread upon the minutes of this organization, and that copies be forwarded to Senators and Representatives from the State of Indiana.

[From the Fort Wayne (Ind.) News-Sentinel]

SERGEANT SUEDHOFF GIVEN FRENCH ARMY
CITATION

WASHINGTON, D. C., August 26.—The French Government has awarded to Staff Sgt. Thomas Lau Suedhoff the Croix de Guerre with Bronze Star by decision No. 256 dated July 3, 1946. Sergeant Suedhoff, an infantryman with the Thirty-sixth Division, volunteered to lead a detachment "la region de Lyon" in establishing a road block, thereby saving the lives of many of his comrades. The mission was successfully completed in spite of intense small arms and mortar fire. The citation and medal have been mailed to his parents, Mr. and Mrs. Carl J. Suedhoff, 1922 Forest Park Boulevard, Fort Wayne, Ind., with a letter from Col. E. Caminade, military attaché.

"Not only in my own name, but in that of France and the French Army, I wish to extend to you and to your family heartfelt sympathy and the expression of gratitude for the courageous spirit of Sergeant Suedhoff who so nobly dedicated his life to the cause for which our countries were fighting.

"France is gratefully aware of the great assistance given by the American Army and feels a personal loss in the passing of Sergeant Suedhoff who displayed such heroism in the performance of his duty."

Sergeant Suedhoff died October 13, 1944, in a hospital in Italy as a result of wounds received in action in France August 26. In addition to the Croix de Guerre, he has been awarded the Silver Star, Bronze Star, Purple Heart, Combat Infantryman's Badge, and the Good Conduct Medal.

He was a graduate of the Wharton School of Finance, University of Pennsylvania, and a member of the Psi Upsilon fraternity there. He was the first Indiana soldier to receive the Bronze Star decoration.

MAYOR O'DWYER

Mr. LYNCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LYNCH. Mr. Speaker, I desire to answer the distinguished gentleman from New Jersey who made the unwarranted attack upon Mayor O'Dwyer, of New York. I do not blame the gentleman from New Jersey for being perturbed when he hears of the thousands upon thousands of people in New York City who are protesting the passage of the Hartley-Taft labor bill. I do not blame him so much for being annoyed, because I know the feeling is seeping into New Jersey, where the gentleman comes from. When he says that the mayor of a great city like New York, with 8 or 10 million people, should have no interest in legislation that affects the people of that great city, when he says that the

mayor of New York, who is responsible for the welfare of the people, should not raise his voice in protest against legislation which we in New York believe to be vicious and antilabor, then I say the gentleman has a queer idea of the duties of public office, and he has a very queer idea when he believes that it is not minding one's business when one speaks out against legislation that affects the people of the city of which one is mayor as in the case of Mayor O'Dwyer. May he speak out louder and clearer, and may his words strike home. Would that Governor Dewey would make known his position on the Hartley-Taft antilabor bill.

EMMET O'NEAL

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Speaker, I know I express the sentiments of his colleagues from Kentucky and of the entire membership of the House who were familiar with his public service when I say we rejoice at the appointment of Emmet O'Neal as Ambassador to the Philippines.

By reason of his industry, his wide experience, his tact, his genial disposition, his capacity to make friends and to hold their affectionate regard, he is admirably adapted to fulfill the varied duties of the position to which he has been appointed.

The American people have a very deep interest in the welfare of the courageous Philippine people. With their heroic aid our armed forces have restored to them the liberty which they so richly deserve. They have a high sense of obligation and a very deep affection for our Government. That affection will be stimulated and grow under the relationship that will be established through our Ambassador.

His lovely wife and two charming daughters will add to his influence and prestige.

We wish him and his family success and happiness in his new undertaking, and that he may be able to render conspicuous service to the Philippine people and to his country.

Mr. CHELF. If the gentleman will yield, I want to add a resounding "amen" to what the gentleman has said.

LOYALTY OF FEDERAL EMPLOYEES

Mr. KLEIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KLEIN. Mr. Speaker, there has never been a time in the history of our country when the traditional civil liberties of American citizens were more widely threatened than today.

We are constantly being warned that the Federal Government is infiltrated with disloyal, subversive employees secretly plotting its destruction. Because of this alleged danger, we are urged to bypass many of the normal processes of

justice and to dismiss accused employees simply on the basis of someone's doubts, suspicions, confusions, or prejudices.

The President has issued a loyalty order, Executive Order 9835, which places the full weight of Executive authority behind existing procedures which afford accused employees few, if any, real safeguards consistent with due process of law, and expands these existing practices into a master plan for spying into the private lives and thoughts of citizens.

As the journalist Max Lerner commented in PM on March 25:

We are in danger of taking a big step toward the creation of a police state. Everyone knows that one of the characteristics of the police state is that you place all Government servants under the continuous surveillance of a political police. The ordinary Government employee will find his workday harassed, his hours of rest shadowed, his inmost thoughts guessed about, his whole life made intolerable. Someone ought to tell the President and his advisers that you can never purchase security of any sort—for themselves or for the Nation—by surrendering the most elementary freedoms of the people.

When objection is made to the lack of provision for due process in the contemplated loyalty program—the failure to permit accused employees to face their accusers, cross-examine hostile witnesses, and identify sources of information—it is argued in justification that Government employment is not a right, but a privilege; and that therefore a Government employee may be deprived of his livelihood on suspicion alone and without proof, as some private employers may do with employees not adequately protected by union-security contracts. Indeed, we have fallen into the unwholesome habit of expecting the accused to prove himself innocent, rather than conforming to the elementary principle that the burden of proof should rest on the accuser. These habits and attitudes are completely at variance with the ethics and standards of American law. Now is the appropriate time to reassert the basic principles of the Bill of Rights before these principles are smothered under a blanket of rationalizations.

It is true that Government employment is a privilege rather than a right. It is both a privilege and an honor to be a Government employee. The Government employee has assumed a sacred trust when he takes the oath to defend the Constitution against all enemies, foreign and domestic. But if the employee has assumed obligations, so has the Government.

By and large, citizens who work for the Government are a loyal, hard-working group of people. Many of them could be earning more money in private industry, but they have elected to serve their Government—a sometimes arduous and thankless task, as every Member of Congress ought to know. The Government is obligated to protect, rather than nullify, the civil liberties of its employees. The Government is not in the same position as a private employer. It cannot arbitrarily fire a public servant because of doubt, rumor, or suspicion. The Government of the United States is not a business, as a bank, a grocery, or a factory is a business. It is the sum total of

the lives of its citizens—the focus of their hopes and aspirations, and the guardian of their liberties.

When a Government employee is dismissed on charges of disloyalty, it is not parallel to loss of employment in private industry. Such a dismissal, in the thoughts of most citizens, is tantamount to conviction for treason. It disgraces its victim for life, and often his family—just as would a dishonorable discharge from the military service. It renders future employment in Government impossible and in private industry difficult. Such a heavy penalty should not be imposed on any employee until it is proved beyond a reasonable doubt that the penalty is in fact deserved.

While no reasonable person will deny the need to exclude disloyal persons from Government service, opinions as to what constitutes disloyalty differ. Mrs. Eleanor Roosevelt recently said, in referring to the sympathetic-association clause in the loyalty order:

However, the more I think about one clause in the President's Executive order the more troubled I am. Under this clause I am afraid it would be possible to declare subversive many organizations that are simply in opposition to the thinking of certain powerful groups.

I am today introducing a bill to promote equitable personnel practices in the Federal Government by the establishment of a Federal Appeal Board, and for other purposes.

This bill provides orderly methods by which any employee or applicant for Government employment charged with disloyalty may have his case reviewed by a Federal Appeal Board. This board is to operate on the basis that an accused person is innocent until proved guilty. The rights of due process, including the right of cross-examination, are afforded by this bill, as well as the right to seek judicial review of the dismissal or other action. I submit this bill for your consideration as a contribution toward the solution of a vexing problem which has too often been approached with emotion rather than reason.

TAX ADVISORY COMMITTEE

Mr. FORAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FORAND. Mr. Speaker, according to the newspapers, Chairman Knutson has appointed a special tax-study group—with Mr. Roswell Magill, Wall Street lawyer, as chairman "to hold continuing conferences with the Ways and Means Committee and Treasury officials so the group's judgment on specific provisions will be available to us as the work progresses."

The appointment of this outside committee was made without authorization by the Committee on Ways and Means. Although our committee has been sitting daily to hear testimony of the Secretary of the Treasury and of taxpayer groups in connection with the proposed com-

prehensive revision of the Federal tax laws, and frequent executive sessions have been held, not one word has been said in the committee about the necessity or the propriety of picking a small group of tax practitioners and businessmen to pass judgment on specific provisions as the 1943 tax bill is drafted. I fear this is laying the foundation for writing the 1943 tax bill by outsiders, as was done with the Tariff Act of 1930.

The pages of early American history are filled with the accounts of the fight to safeguard the taxing power from abuse. The founding fathers fought the Revolutionary War over taxation without representation. So they specified in the Constitution that only the House of Representatives should have the power to initiate tax legislation.

Now, it is proposed to impose upon the taxpayers of this country the secret deliberations of men who have not been subjected to public scrutiny, nor even to the advice and consent of the membership of the House of Representatives or its Committee on Ways and Means.

For nearly a month the committee has heard testimony of the Secretary of the Treasury and has received recommendations of more than a dozen industry groups for repeal or amendment of certain excise taxes. These industry spokesmen have presented their case in open hearings—and they thought they were addressing themselves to the elected Representatives in Congress responsible for deciding such matters.

Now, it seems that these advocates of repeal, reduction, or revision of the excise taxes—commonly known as sales taxes—will have to “clear it with Roswell.”

Mr. Speaker, the appointment of any outside group to advise in the final decisions in executive sessions on what and whom to tax, at what rate, and with what exemptions is, in my opinion, a precedent dangerous to the democratic process. The dangers are doubly apparent when the chairman of the advisory committee is as ardent and able in advancing his own views on tax matters as Mr. Magill. This gentleman was one of two non-Government witnesses allowed to appear before our committee on H. R. 1. The other, Mr. John W. Hanes, is also a member of this study group. The industry representatives and consumer groups who had hoped for excise-tax relief now know better. It is significant that the New York Journal of Commerce—one of the financial dailies of Wall Street—headlined the selection of Mr. Magill on June 10, 1947, as follows: “Magill appointment underscores trend toward sales taxes.” And to indicate that everything from here on is to be cut and dried to “Doctor” Magill’s prescription, the Journal of Commerce says:

Any lingering doubts that Republican legislators plan to shift the center of gravity of the Federal tax system from income taxes are pretty much dispelled by appointment of Roswell Magill as key outsider to help formulate the 1948 tax-law revision.

Named by the Ways and Means Committee as chairman of a new advisory group, Mr. Magill favors minimizing income taxes as a source of Federal revenue. Excises and other sales-tax types of levies would be given a greatly expanded role as revenue raisers.

As chairman of the special advisory group, Mr. Magill will play a key role in formulation of new tax law. His general views have followed closely Republican tax and budget programs since the beginning of the year; some, in fact, suggest that the Republicans got the programs from him.

Of course, one man—even such an expert as Mr. Magill—does not make a committee. But the temper of the group—at least, of those who have expressed themselves publicly on Federal tax matters—is preponderantly in agreement with their chairman’s affection for the sales tax.

To demonstrate that my suspicions as to the bias of this so-called special tax-study committee are founded in fact, I have prepared a thumbnail biography of the present occupation of each appointee, with his affiliations and general views on Federal taxation. The biographical sketches follow in alphabetical order:

FRANK CARLSON

Present occupation: Governor of Kansas, Topeka, Kans.

Biographical data: Born January 23, 1893. Student at Kansas State College. Farmer and stockman since 1914. Member Kansas State Legislature, 1929–33. Chairman Republican State Committee, 1932–34. Member of Congress, 1935–41 (Seventy-fourth to Seventy-sixth) from the Sixth Kansas District.

Affiliations: Member and officer of Farm Bureau, American Legion.

Views on taxes: As a member of the Committee on Ways and Means, he advocated the inclusion of a sales tax in the Revenue Act of 1942.

NORRIS K. CAENES

Present occupation: General manager, Central Cooperative Livestock Association, Exchange Building, South St. Paul, Minn.

Biographical data: Born May 9, 1895. Graduate University of Minnesota, B. S. 1917, M. S. 1920. Farmer; father’s partner at Royalton, Minn. Assistant professor of animal husbandry at University of Minnesota 1923, assistant general manager, Central Cooperative Association, 1919–41, Minnesota State Fair official.

Affiliations: St. Paul Association of Commerce, chairman of the agricultural committee. American Horse Show Association, Chairman of the sale committee of Junior Livestock Show.

Views on taxes: Not available.

JOHN L. CONNOLLY

Present occupation: Secretary and general counsel, Minnesota Mining and Manufacturing Co., St. Paul, Minn.

Biographical data: Born 1892. Member of advisory committee that published the Twin Cities Plan on Post War Taxes, 1944.

Views on taxes: He favored tax reduction over debt reduction. He favored H. R. 1; opposed Lucas proposal. The income-tax base should be very broad, in his opinion. It is unfair to tax corporation income and then to tax stockholders on dividends. If additional revenue is needed, we should adopt a retail sales tax with no exemptions.

JOHN CHEEVER COWDIN

Present occupation: Chairman of the board, Universal Pictures Co., Universal City, Calif.

Biographical data: Born March 17, 1889. Student, St. Paul’s School, Concord, N. H., until 1907. Clerk in Morgan & Co. Partner Bond & Goodwin, San Francisco, until 1919. Organized Blair & Co. and Blair Co., Inc., 1920. Vice president Bancamerica Blair Corp., 1930–34. Organized Standard Capital Co.; president of same from 1935 until its dissolution in December 1944. Former chairman, committee on government finance, National Association of Manufacturers.

Affiliations: Chairman of the board, Universal Pictures since 1936. Director: California Packing Co., Curtiss-Wright Corp., Curtiss-Wright Air Terminals, Inc., Devon Corp., Douglass Aircraft Corp., Ford Instrument Inc., Intercontinent, Inc., Sperry Corp., Sperry Gyroscope Inc., Transcontinental Air Transport, Inc., Big U Film Exchange Inc., Motion Picture Export Corp., Universal Film Exchange Inc., Universal Music Corp., Universal Pictures Co., Inc., Canadian Universal Film Co. Ltd., Waterbury Tool Co., Wright Aeronautical Corp.

Views on taxes: He urged the Congress to enact a “wartime consumption tax” of 8 percent at point of final sale. He recommended, however, that the tax on corporations should not exceed 40 percent. He would eliminate the distinction between long-term and short-term capital gains and tax such income at a maximum rate of 10 percent.

CARSON SAMUEL DUNCAN

Present occupation: Economist, Association of American Railroads, Transportation Building, Washington, D. C.

Biographical data: Born August 25, 1879. B. A. Wabash College, Indiana, 1901. A. M. Columbia University, 1905. Ph. D. University of Chicago, 1913. Professor of English, Ohio State University, 1906–14. Assistant professor of marketing, University of Chicago, 1915–18. Statistical expert with the American Shipping Mission, London, 1918–19. Statistical expert, United States Shipping Board, 1918–19. Attended Peace Conference, Paris, January–June 1919. Chief investigator, National Industrial Conference Board, 1919–21. Director, bureau of research of the Southern Wholesale Grocers Association, 1921–22. With the Association of American Railroads since 1922.

Affiliations: American Economic Association, American Statistical Association.

Publications: Argumentation (with others), 1910. Commercial Research, 1919. Marketing. Its Problems and Methods, 1920. Editor—Specimens of Prose Composition (with others), 1913. A National Transportation Problem, 1936.

Views on taxes: Not available.

JOHN WESLEY HANES

Present occupation: Chairman of the board of trustees, Tax Foundation, 959 Eighth Avenue, New York, N. Y.

Biographical data: Born April 24, 1892. A. B., Yale, 1915. Former senior partner, Charles D. Barney & Co., investment bankers. Member, Securities and Exchange Commission January–July 1938. Assistant Secretary of the Treasury, July–November 1938. Under Secretary of the Treasury, November 1938–December 1939.

Affiliations: Director and member of pension trust committee and executive committee, Johns-Manville Corp. Director and chairman of the finance and operating committee, United States Lines Co. Director and chairman of the finance committee, Hearst Corp. and Purolator Products, Inc. Director, member, executive committee and personal trust committee, Bankers Trust Co. Director: American Superpower Corp., Thomas Young Orchids, Inc., Pan American Airways Co. Trustee: Hampton Institute, Smith College, Geneva, N. Y.

Views on taxes: The theory of ability to pay, which underlies our income tax, has been abused. H. R. 1 is a good program and is not inflationary. Existing surtax brackets have sucked dry almost every available dollar that can be obtained from the high income groups. Present tax rates are a stupid levy against the know-how and the managerial experience that are the Nation’s greatest assets.

E. H. LANE

Present occupation: President, Lane Co., Inc., Altavista, Va.

Biographical data: Born July 4, 1892. Student, Virginia Polytechnic Institute, 1906-10. Affiliations: Connected with the Lane Co. (manufacturers of cedar chests) since 1912; president since 1925.

Views on taxes: He included a retail sales tax of 5 to 10 percent, or a graduated sales tax starting at 5 percent and running to 25 percent, in his recommendations to the Committee on Ways and Means on the Revenue Act of 1942.

ROSSELL FOSTER MAGILL

Present occupation: Professor of law, Columbia University. Member of law firm of Cravath, Swaine & Moore, 15 Broad Street, New York.

Biographical data: Born November 20, 1895. A. B. Dartmouth, 1916. J. D., University of Chicago, 1920. Admitted to Illinois bar 1920 and in practice of law at Chicago until 1926. Instructor of law, University of Chicago, 1921-23. Assistant professor of law, Columbia University, 1924-25. Associate professor of law, Columbia University, 1925-27. Professor of law since 1927; only taxation since 1943. In law practice in New York City since 1928. Special attorney and chief attorney, United States Treasury Department, 1923-25. Assistant to Secretary of Treasury, 1933-34. Under Secretary of Treasury, 1937-38. Counsel, Dunnington, Bartholow & Miller, 1938-43. Member, Cravath, Swaine & Moore since 1943. Adviser to the Tax Commission of Puerto Rico, 1925, 1928-29. Adviser to the Cuban Treasury, 1938-39. Publicity governor, New York Stock Exchange, 1940-41.

Affiliations: Chairman of the Committee on Post War Tax Policy. Member, American Bar Association. Member, Associated Bar of the City of New York. Trustee: Mutual Life Insurance Co. of New York, Tax Foundation, Vassar College, Macy Foundation, Academy of Political Science.

Publications: Cases on Federal Taxation (with J. H. Beale), 1926. Federal Tax Practice (with R. H. Montgomery), 1929; Cases on Taxation (with J. M. Maguire), third edition, 1940. Cases on Civil Procedure (with J. H. Chadbourne), third edition, 1939. Cases on Business Organization (with R. P. Hamilton), 1933. Federal Taxes on Estates, Trusts, and Gifts (with R. H. Montgomery), second edition, 1936. Taxable Income, 1936. The Cuban Fiscal System, 1939 (2d ed., 1945). Contributor to the Columbia Law Review, Harvard Law Review, etc. The Impact of Federal Taxes, 1943.

Views on taxes: Present tax rates tend to restrict and impede full operation of productive forces in the economy. He is opposed to increase in personal exemptions under the income tax. In his opinion, 50 percent should be the top rate on incomes over \$100,000. We should continue to rely on a broad excise-tax system either under a manufacturers' excise or a retailers' excise, or both, in some combination. They should produce about one-fourth of total tax revenues.

WRIGHT MATTHEWS

Present occupation: Lawyer, member of Robertson, Leachman, Payne, Gardere & Lancaster, Dallas, Tex.

Biographical data: Born January 27, 1897. LL. B., University of Texas, 1923. Admitted to bar in Texas, 1923. Assistant to Commissioner of Internal Revenue, 1934-36.

Affiliations: Member of law firm of Robertson, Leachman, Payne, Gardere & Lancaster. Representative clients: Dallas Times Herald, Southern Pacific Railroad Co., Lone Star Gas Co., Liberty Mutual Insurance Co., Hartford Accident and Indemnity Co. Tax counsel for more than a dozen oil companies. Member Houston, Federal, and American Bar Associations. Member State Bar of Texas.

CLARENCE HAMILTON POE

Present occupation: Editor of the Progressive Farmer, Raleigh, N. C.

Biographical data: Born January 10, 1881. Litt. D., Wake Forest, 1914. LL. D., University of North Carolina, 1928. Washington College (Md.), 1929. Sc. P., Clemson Agricultural College, 1937. President, the Progressive Farmer Co., 1903-30. Chairman, executive committee and board of trustees, North Carolina State College of Agriculture and Engineering, 1916-31. Member, State board of agriculture, 1913-31. Member, State commission authorized to draft revision to North Carolina State Constitution, 1931-32. Chairman, State commission which secured ratification of five amendments revising State tax system, 1936. Member, executive commission, State food administration, State fuel administration, and war savings commission, 1917-18. President, State Press Association, 1913-14. President, State Literary and Historical Association, 1914-15. President, State Farmers' Convention, 1919-20. Master, North Carolina State Grange, 1929-30. President, State Dairymen's Association, 1929-30. President, American Country Life Association, 1940-41. General chairman, Campaign for Balanced Prosperity in the South, 1940-43. Awarded Literary Historical Association's Cup for best literary production by a North Carolinian, 1909-12. Awarded Southern Agricultural Worker Medal for "distinguished service to southern agriculture," 1942. Chairman, North Carolina Hospital and Medical Care Commission, 1944-45. Member, National Committee on Hospital Care, 1944-46.

Affiliations: Editor, the Progressive Farmer since 1899. President, Progressive Farmer Ruralist Co. (a consolidation) since 1930. Member executive committee of the consolidated University of North Carolina since 1931. Trustee, Wake Forest College. Chairman executive committee, North Carolina Art Society. Director from North Carolina for Hall of Fame, New York. Member, Federal Board for Vocational Education (the representative of American agriculture). Director, North Carolina Forestry Foundation. President, Longview Gardens, Inc. Member, North Carolina Council for National Defense. Chairman of executive committee, North Carolina Farm Manpower Commission. Member, board of advisers, Institute of Public Affairs, University of Virginia. Member, advisory committee, National Youth Administration. Member, State Planning Board of North Carolina. Vice chairman, North Carolina Medical Care Commission since 1945.

Publications: Cotton, Its Cultivation, Marketing, and Manufacture (with C. W. Burkett), 1906. A Southerner in Europe, 1908. Where Half the World Is Waking Up, 1911. Life and Speeches, Charles B. Aycock (with R. D. W. Connor), 1912. How Farmers Cooperate and Double Profits, 1915.

Views on taxes: Not available.

MATTHEW WOLL

Present occupation: Vice president, American Federation of Labor, 570 Lexington Avenue, New York City, N. Y.

Biographical data: Born January 25, 1880, in Luxembourg. Came to the United States (Chicago) in 1891. 1904 completed Lake Forest University's College of Law (Kent College of Law). President, photoengravers union, 1906-29. Sent as a fraternal delegate to the British Trade Union College at Birmingham, 1915-16. 1919 became eighth vice president of AFL. 1930 became first vice president of AFL. Represented American labor in Warsaw at the Federation of Trade Unions, 1937, and at the International Labor Organization, Oslo, in 1938. Former editor of American Federationist. Member, President Truman's Labor-Management Conference, 1945. Director of legal bureau of AFL. Mem-

ber, President Harding's Unemployment Commission.

Affiliations: Head of Union Labor Life Insurance Co.; president of Sportsmanship Brotherhood; League for Human Rights, Freedom, and Democracy; Union Label Trades Department; United Nations Relief, for AFL; Friends of Luxembourg, Inc.; International Labor Presidents of America; International Labor News Service; American Wage Earners Conference. Legislative representative of International Allied Printing Trades Association. Member, National Academy of Political Science. Member, Catholic Conference on Industrial Problems. Member, New York State Insurance Advisory Board. Member, National Committee on Prisons and Prison Labor. Chairman, International Labor Relations Committee. Member (1 of 4) of War Labor Board since 1942. Trustee and AFL representative of radio station WCFL (Chicago). Director and member of executive committee of New York's World's Fair, Inc. Director of National Bureau of Economic Research. Trustee: Public Education Association, Chicago Tuberculosis Institute, National Tuberculosis Association. Chairman of American Labor Committee to Aid British Labor. Chairman of AFL's standing committee on education, social security, and national defense. Chairman of a nine-man post-war planning committee, named by William Green in December 1942. President of Workers Educational Bureau.

Publications: Labor, Industry, and Government, 1935. Articles on economics and labor topics.

Views on taxes: Corporations have no right in equity to expect exemption from paying their fair share of taxes. Shareholders have no right to expect removal of taxes on corporations. Income taxes on individuals and corporations and inheritance taxes are correctly referred to as taxes which people are fortunate to pay, because they are applied only on the basis of ability to pay. Lower costs of goods, higher wages, and higher profits depend more on volume production and technological and managerial improvement than on tax policy. High corporate taxation need not be a barrier to accumulation of reserves for reinvestment. One of the largest loopholes is that which allows individuals to avoid income taxes through nondistribution of corporation profits. The wage-earning group, representing the great mass of consumers, is the one ultimately to bear the burden of taxation, no matter what form it takes.

I serve notice to the members of this hand-picked study committee, Mr. Speaker, that I shall protest every effort they make to influence the decisions of the Committee on Ways and Means on the current tax revision. Even though the chairman of the Committee on Ways and Means is running true to form in trying on his own initiative to set up such a group, these eminent gentlemen should appreciate that their announced functions go beyond the scope of long-standing legislative practices. If they desire to present their views in open committee hearings, I should be very glad to hear them. But under no circumstances should they be permitted to advance either their own views, or the interests of persons whom they represent, behind the closed doors of the committee room in executive session.

SPECIAL TAX STUDY GROUP

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The **SPEAKER**. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, the usurpation of committee authority by the chairman of the Committee on Ways and Means has become so serious that I am compelled to bring the matter to the House floor. The most recent display of Chairman **KNUTSON**'s arrogance was the appointment of a so-called special tax study committee headed by Roswell Magill, a Wall Street lawyer, and including John W. Hanes, the New York banker, and J. Cheever Cowdin, tax spokesman for the National Association of Manufacturers. Mr. Speaker, this very day, in the official meeting room of the Committee on Ways and Means just a few feet off the floor of this House, this little band of businessmen are organizing to write the 1948 tax bill. Yet not one word has been said about the matter in the committee. Mr. Speaker, representative government will not long endure if the chairman of a committee is allowed to take unto himself the authority of the full committee. And how much greater is the danger when he undertakes to delegate committee responsibility to a small group for the advancement of their own special interests.

**GENERAL LEAVE TO EXTEND REMARKS
ON THE LATE HONORABLE DAVID I.
WALSH**

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have five legislative days within which to extend their remarks in the **RECORD** on the late honorable David I. Walsh.

The **SPEAKER**. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. BUCK asked and was given permission to extend his remarks in the **RECORD** and include an article on statehood for Hawaii.

DR. ROSWELL MAGILL

Mr. BUCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The **SPEAKER**. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BUCK. Mr. Speaker, the gentleman from Rhode Island [Mr. **FORAND**] a few moments ago made some disparaging remarks about the distinguished citizen who has just been appointed chairman of the Tax Study Committee. I think the **RECORD** should show that Dr. Roswell Magill is currently a professor of law at Columbia University; that he is one of the noted tax authorities of the country; that he served under appointment by President Roosevelt as Assistant Secretary of the Treasury.

I think the **RECORD** should also show that President Roosevelt was once a Wall Street lawyer, although he did not practice there very successfully.

The **SPEAKER**. The time of the gentleman from New York has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. BENDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. Mr. Speaker, this past week one of my friends sent me a document his 16-year-old son had received through the United States mails. It is an advertisement mailed by someone called Bulco, New York, and it offers to sell through the mails this partial list of lurid titles: "From Dance Hall to White Slavery," "Tales of French Love and Passion," "The Tragedies of the White Slaves," "One of Cleopatra's Nights," "Facts About Nudism," "Love Tales," "The Seven Keys to Power," "Scientific Betting," "The Art of Kissing," "How To Make Love."

One of these advertisements puffing up *The Seven Keys to Power* says: "Cast a spell on anyone, no matter where they are. Gain the mastery of all things. Cure any kind of sickness without medicine."

When this was called to my attention I immediately wrote to Postmaster General Robert Hannegan. In response to my letter, Mr. J. M. Donaldson, Acting Postmaster General, wrote promising an investigation.

Mr. Speaker, I have three questions:

First. Where is the fellow who is supposed to look over the kind of literature sent through permits issued by the postal authorities?

Second. What standards are employed in determining what we allow to circulate to 16-year-old youngsters?

Third. Where did this outfit get the list of names including young people for these purposes?

And what is Mr. Hannegan going to do about the whole business?

The **SPEAKER**. The time of the gentleman from Ohio has expired.

DEPORTATION OF CHARLIE CHAPLIN

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks and include an article from the Commercial Appeal, Memphis, Tenn.

The **SPEAKER**. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, the recitation by the gentleman from Ohio [Mr. **BENDER**] of the filth being sent through the mails to destroy the morals of the youth of America is in line with something the Committee on Un-American Activities uncovered in Hollywood in its recent investigation.

But I arose to pay my tribute to Chairman Lloyd T. Binford, head of the Censor Bureau of Memphis, Tenn., for banning a rotten picture made by Charlie Chaplin. If every other city in America had a man like Binford at the head of its censorship bureau, we would get rid of a lot of this filth that is being spread before the eyes of our children through the moving-picture shows.

I am today demanding that Attorney General Tom Clark institute proceedings to deport Charlie Chaplin. He has refused to become an American citizen. His very life in Hollywood is detrimental to the moral fabric of America. In that way he can be kept off the American screen, and his loathsome pictures can be kept from before the eyes of the American youth. He should be deported and gotten rid of at once.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Yes; I yield.

Mr. RICH. How about Harry Bridges? We tried to deport him and the President pardoned him.

Mr. RANKIN. I was for that, too; but from a moral standpoint I do not suppose he ever did stoop to the low level that this Charlie Chaplin has reached.

The **SPEAKER**. The time of the gentleman from Mississippi has expired.

EXTENSION OF REMARKS

Mr. PATTERSON asked and was granted permission to extend his remarks in the **RECORD** in three instances; in one to include a speech he gave at a graduation exercise; second, a reprint of an editorial carried in a Hartford newspaper; and, third, a copy of his Memorial Day speech.

Mr. NORBLAD asked and was granted permission to extend his remarks in the **RECORD** and include a newspaper article.

Mr. ROHRBOUGH asked and was granted permission to extend his remarks in the **RECORD** and include an address recently delivered.

Mr. KEATING asked and was given permission to extend his remarks in the Appendix of the **RECORD** and include a letter from the secretary of the Association of New York State Cannerymen.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker * * *

Mr. RANKIN. Mr. Speaker, I demand that those words be taken down.

Mr. Speaker, this is still America.

The **SPEAKER**. The Clerk will report the words objected to.

Mr. HOLIFIELD. Mr. Speaker—

Mr. RANKIN. Mr. Speaker, I demand that the rule be enforced. The gentleman cannot speak until this matter is disposed of.

The **SPEAKER**. The gentleman is correct, unless he makes a unanimous-consent request.

Mr. RANKIN. Mr. Speaker, he cannot make a unanimous-consent request.

The **SPEAKER**. The Chair can always recognize anyone to propound a unanimous-consent request. Of course, it would be within the province of the gentleman from Mississippi to object, but the Chair can put unanimous-consent requests at any time.

Mr. RANKIN. Mr. Speaker, a point of order. The Chair does not have the right to recognize anyone whose words

have been taken down until that matter is disposed of, even for a unanimous-consent request.

The SPEAKER. On previous occasions that has been done.

Mr. RANKIN. I understand, but it is a violation of the rules of the House, and I make that point of order.

The SPEAKER. The Clerk will report the words objected to.

The Clerk read the words objected to.

The SPEAKER. The Chair holds that the motives of the committee have been impugned by calling it the "Un-American Committee."

Mr. RANKIN. Mr. Speaker, I move to strike those words from the RECORD and ask for recognition.

The SPEAKER. The gentleman is recognized.

Mr. RANKIN. Mr. Speaker, I am recognized now for 1 hour and I have a right to yield to any other Member I desire in this discussion?

The SPEAKER. As long as the gentleman retains the floor he may yield, of course, but he must retain the floor for 1 hour, if he so desires.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from North Carolina [Mr. BONNER], a member of the Committee on Un-American Activities.

Mr. BONNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include an editorial on the flood control project of the Roanoke River in North Carolina and Virginia.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield for the making of a privileged motion or request?

Mr. EBERHARTER. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. EBERHARTER. Mr. Speaker, I think what the gentleman is going to say is very important and we should have a quorum here. I therefore suggest the absence of a quorum.

The SPEAKER. The Chair will count.

Mr. EBERHARTER. Mr. Speaker, I withdraw the point of order.

Mr. ANGELL. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. The Chair will count.

Mr. ANGELL. Mr. Speaker, I withdraw the point of order.

The SPEAKER. The gentleman from Mississippi [Mr. RANKIN] is recognized for 1 hour.

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. RANKIN. Mr. Speaker, these attacks on the Committee on Un-American Activities have been going on for a long time. The Communist slogan as it appears in the Communist Daily Worker and the PM, the uptown edition of the Communist Daily Worker, is to refer to it as the un-American committee, the term used by the gentleman from California.

I have long since made up my mind that if another Member undertook to repeat that slogan on this floor I would move to strike his words from the RECORD, and take the time to defend that committee against these invidious attacks.

For years we have had a Communist movement in this country designed to destroy the American Constitution, as well as the American way of life. They are now using the picture shows for that purpose, as well as every other means of propaganda.

They are attempting to destroy what they call the capitalist system; that is, our system of free enterprise that permits a man to own his home, his land, his store, or his factory.

They have published a booklet entitled "The Negro in Soviet America," and sent it down through the Southern States with a map drawn showing the Negro soviet they propose to set up as soon as they take over.

The head of the Communist Party night before last went on the radio in one of the most vicious attacks on Congress that the human mind could possibly conceive. He has said time and time again that when the Communists take over this will not be a government of the United States, but that it will be a soviet government, and he said—and I quote his exact words:

And behind that government will stand the Red Army to enforce the dictatorship of the proletariat.

About 1938 we created the Committee on Un-American Activities which became known as the Dies committee, because the gentleman from Texas, Mr. Dies, was made chairman of it.

I have never seen a man take more abuse than Martin Dies took from the Communists of this country and their sympathizers. They not only threatened him, but they threatened to murder his wife and children; and only yesterday there came through the mail a threat against the life of the chairman of the Committee on Un-American Activities, the gentleman from New Jersey [Mr. THOMAS]. They said in that threatening letter that the gentleman from New Jersey [Mr. THOMAS] would be knocked off in June, and that I would be knocked off in July.

They gave me an extra month.

I do not propose to sit quietly by and see the water poured on the wheel of those elements that are challenging our civilization throughout the earth. When the last Congress convened in 1945 it looked as if the Committee on Un-American Activities was lost. It looked as if there was no chance to get a committee to continue these investigations. Therefore, on the opening day of Congress, when we were adopting the rules of the House, I offered an amendment to set up this standing Committee on Un-American Activities to continue these investigations.

We have gone on now for more than 2 years, and I want to say to you that if you go into those records and see what is being uncovered and see the threats that are being made and the plans that are being laid under our very noses to

destroy this country, you will realize the alarming situation.

No wonder they have Henry Wallace going down into the South making speeches to try to stir race trouble all over the South.

No wonder they have him going out and denouncing President Truman who does not even need a recommendation for his patriotism at the hands of Henry Wallace or anyone else. Harry Truman has not only proved his patriotism as a Member of the United States Senate and as President of the United States, but in the First World War he proved it on the battlefield.

But they do not like him because he is not communistic enough. He is not willing to join in their efforts to undermine and destroy America.

Last year they tried to force out the FEPC bill, which is the chief plank in the Communist platform. They finally did manage to force it through the Legislature of the State of New York, and succeeded in driving the businessmen of that State underground, so to speak. They are trying now to figure out every way in the world to operate under it, or in spite of it.

They took it to California and put it on the ballot there, and it was defeated by more than a million votes. It was defeated by a majority in every single county in California. Yet the same element that supported that measure, the same element in Hollywood that spreads communism through the moving pictures and virtually defies the Government of the United States in their efforts to undermine and destroy the morals of the youth of America defiantly attempts to keep from complying with the laws of the land, even when the Committee on Un-American Activities go there to investigate them.

The best people in California sent me a petition, which I threw across this House here for you to see. It had signed to it thousands of names, protesting against the condition in Hollywood and begging us to do something about it.

They called attention to the Communist infiltration there. Letters have poured in from the best people in California urging that something be done. We sent out investigators there. I did not go, but the chairman and another member and two of the investigators did go. Those men who are disturbed over this Communist infiltration into the moving pictures came before that committee and told a story that, when made public, is sufficient to arouse the Christian people of America from one end of the country to the other.

Yet they call us the "Un-American" Committee.

Such attacks are not going to take place on this floor unchallenged as long as I am a Member of this House. Such insulting remarks with reference to the Committee on Un-American Activities are not going unnoticed.

The members of this committee are doing everything possible to protect this country from the enemies within our gates, and we are entitled to the support of every Member of this House.

For that reason, I demanded that the gentleman's words be taken down and moved that they be stricken forever from the CONGRESSIONAL RECORD.

On that, Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to strike out the objectionable words.

The motion was agreed to.

COMMITTEE ON PUBLIC LANDS

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 94 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of the investigations to be made pursuant to House Resolution 93, by the Committee on Public Lands (now comprised of the six former committees on Insular Affairs, Territories, Public Lands, Irrigation and Reclamation, Mines and Mining, and Indian Affairs), acting as a whole or by subcommittee, not to exceed \$25,000, including expenditures for the employment of stenographic and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee, signed by the chairman of such committee or subcommittee, and approved by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 163), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, effective from January 3, 1947, the expenses of conducting the investigation authorized by House Resolution 318 of the Seventy-ninth Congress, continued under authority of House Resolution 153 of the Eightieth Congress, incurred by the Committee on Interstate and Foreign Commerce, acting as a whole or by subcommittee, not to exceed the unexpended balance of the sum made available for conducting such investigation during the Seventy-ninth Congress, including expenditures for the employment of experts and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee, signed by the chairman of such committee or subcommittee, and approved by the Committee on House Administration.

Sec. 2. The official stenographers to committees may be used at all hearings held by such committee or subcommittee in the District of Columbia unless otherwise officially engaged.

With the following committee amendment:

Page 1, strike out lines 7 and 8 and "gress" in line 9 and insert "\$25,000."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 228), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of the investigation and study to be conducted pursuant to House Resolution 195, by the Committee on the District of Columbia, acting as a whole or by subcommittee, not to exceed \$15,000, including expenditures for the employment of investigators, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on voucher authorized by such committee or subcommittee, signed by the chairman of such committee or subcommittee, and approved by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 177), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of conducting the studies and investigations authorized by House Resolution 176, Eightieth Congress, incurred by the Committee on Post Office and Civil Service, acting as a whole or by subcommittee, not to exceed \$25,000, including expenditures for printing and binding, employment of such experts, and such clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and signed by the chairman of the committee, and approved by the Committee on House Administration.

Sec. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

With the following committee amendment:

Page 1, line 5, strike out the words "printing and"; line 6, strike out the word "binding."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DEPARTMENT OF STATE

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 185), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of conducting the studies and investigations with respect to the activities of the Department of State in connection with the number of its personnel and the efficiency and economy of its operations incurred by the subcommittee of the Committee on Expenditures in the Executive Departments not to exceed \$10,000, including expenditures for printing and binding, em-

ployment of such experts, special counsel, and such clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said subcommittee and signed by the chairman of the subcommittee, and approved by the Committee on House Administration.

Sec. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

With the following committee amendment:

Page 1, line 4, after the word "operations", insert the words "authorized by rule XI (1) (h)."

Line 7, strike out the words "printing and binding."

The committee amendment was agreed to.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REVISED EDITION OF ANNOTATED CONSTITUTION OF UNITED STATES

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Joint Resolution 69, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas the Annotated Constitution of the United States of America published in 1938 as Senate Document 232, Seventy-fourth Congress, has served a very useful purpose by supplying essential information in one volume and at a very reasonable price; and

Whereas Senate Document 232 is no longer available at the Government Printing Office; and

Whereas the reprinting of this document without annotations for the last 10 years is not considered appropriate: Now, therefore, be it

Resolved, etc., That the Librarian of Congress is hereby authorized and directed to have the Annotated Constitution of the United States of America, published in 1938, revised and extended to include annotations of decisions of the Supreme Court prior to January 1, 1948, construing the several provisions of the Constitution correlated under each separate provision, and to have the said revised document printed at the Government Printing Office. Three thousand copies shall be printed, of which 2,200 copies shall be for the use of the House of Representatives and 800 copies for the use of the Senate.

Sec. 2. There is hereby authorized to be appropriated for carrying out the provisions of this act, with respect to the preparation but not including printing, the sum of \$25,000, to remain available until expended.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RELIEF OF PEARL COX

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 233), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Pearl

Cox, wife of Milton R. Cox, late an employee of the House, an amount equal to 6 months' salary at the rate he was receiving at the time of his death, and an additional amount not to exceed \$250 toward defraying the funeral expenses of the said Milton R. Cox.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON LABOR-MANAGEMENT RELATIONS ACT, 1947

Mr. LeCOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 245) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed 12,000 additional copies of House Report No. 510, current Congress, being the conference report on the bill (H. R. 3020) entitled "Labor-Management Relations Act, 1947," of which 1,000 copies shall be for the use of the Senate Committee on Labor and Public Welfare, 3,000 copies for the use of the House Committee on Education and Labor, 2,000 copies for the Senate document room, and 6,000 copies for the House document room.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REORGANIZATION PLAN NO. 3

Mr. HOFFMAN, from the Committee on Expenditures in the Executive Departments, submitted the following privileged report (H. Con. Res. 51) against the adoption of Reorganization Plan No. 3, which was referred to the Union Calendar and ordered to be printed:

Resolved by the House of Representatives (the Senate concurring), That the Congress does not favor the Reorganization Plan No. 3 of May 27, 1947, transmitted to Congress by the President on the 27th day of May 1947.

SECOND DEFICIENCY APPROPRIATION BILL

Mr. TABER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3791) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

Pending that motion I ask unanimous consent that general debate on the bill be limited to 20 minutes, one-half to be controlled by myself and one-half by the gentleman from Missouri.

Mr. CANNON. I suggest the gentleman modify his request to read "not to exceed."

Mr. TABER. I so modify my request, Mr. Speaker.

The SPEAKER. The gentleman from New York asks unanimous consent that general debate on the bill be limited to not to exceed 20 minutes, the time to be equally divided between himself and the gentleman from Missouri [Mr. CANNON]. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3791) making appropriation to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, with Mr. AUGUST H. ANDRESEN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from New York [Mr. TABER] is recognized for 10 minutes.

Mr. TABER. Mr. Chairman, this bill involves a total of about \$58,000,000. The large items involved are items for the Veterans' Administration to finish out the rest of this fiscal year, about \$28,900,000; an item for legislative printing of \$1,196,000; an item for the Post Office Department of about \$33,000,000; and several other items of small character which are necessary for the immediate operations of the agencies of the Government.

These estimates were received only within the last 3 or 4 weeks from the Budget and this is our first opportunity to present them. They must be through in time, some of them, for the operations in the Treasury by the 16th of June. That is the reason we are bringing this bill in at this time.

There is one item with reference to sugar which I believe we can cut as a result of the action of the Agriculture Department yesterday; and there is one little clerical correction to be made in the bill.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. RICH. In reference to the rationing of sugar by the Department of Agriculture, I notice the gentleman asks for continuation of that money until the end of June but that in the report it is stated:

The committee expects to go into the matter thoroughly in connection with a pending estimate of \$5,000,000 for sugar rationing in the fiscal year 1948.

Evidently the Secretary of Agriculture has sent his representatives to the gentleman's committee to request additional appropriations.

Mr. TABER. We have pending an estimate from the budget for \$5,000,000 for next year. Even if rationing had continued we would have been able to make very substantial cuts, probably close to 50 percent, as a result of a new method of doing business. Other cuts also are in sight as a result of the reduced operations because there will be nothing left of sugar rationing from this time on except that for industrial use. Rationing of industrial sugar continues.

Mr. RICH. That is not going to require a very large force to administer, is it?

Mr. TABER. It should not, but I have not any idea what it will require.

The Secretary has announced the discharge of only 800 people as of this date,

but that should be followed by a larger number as we get along.

Mr. RICH. How about the \$415,000 that is asked for?

Mr. TABER. I am proposing to cut that to \$215,000 because as I figure, the discharge of 800 employees as of this date would permit it. But we will have to pay those who have been on the roll down to the middle of June.

Mr. RICH. It seems to me that the gentleman from Indiana [Mr. HALLECK] who stated last night he would bring in this bill, to stop sugar rationing, put the Secretary of Agriculture over the sugar barrel.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Indiana.

Mr. SPRINGER. The gentleman states that the Secretary of Agriculture contemplates releasing 800 employees since sugar rationing has been taken off. How many employees have their been in that rationing department?

Mr. TABER. I have not the figure in my head at this time. I cannot tell the gentleman the exact number involved in sugar rationing. It was up in the several thousands, but it is down now to a very moderate figure, as compared with what it was previously.

Mr. SPRINGER. As a matter of fact, if sugar rationing is taken off that will permit the reduction of a very large number of those employees, will it not?

Mr. TABER. A very large amount for this banking operation that has heretofore been indulged in.

Mr. SPRINGER. As a matter of fact, is it not possible for them to release many more than the 800 employees?

Mr. TABER. It will be as they get a little farther along.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. Is it not true that the Congress directed the Secretary to remove the rationing the minute he felt he could?

Mr. TABER. Why, the Congress reported out a resolution to do away with household sugar rationing yesterday and the Rules Committee passed a rule for its consideration today. It would have been up for consideration today. I cannot tell the hour that the Secretary made his determination.

Mrs. ROGERS of Massachusetts. May I say that the Department in communications by telephone and otherwise indicated to me that the housewives would have plenty of sugar this summer.

Mr. TABER. We all know that sugar has been piling up on the shelves and the situation was getting to the point where the Government was going to take a big loss in sugar unless the rationing controls were taken off.

Mrs. ROGERS of Massachusetts. Does the gentleman feel it should be removed at this time for industry as well?

Mr. TABER. I do not know enough about that to know, but I think it should be by the end of the month.

Mr. Chairman, I reserve the balance of my time.

Mr. CANNON. Mr. Chairman, this is a very satisfactory report. It may be taken as a strong endorsement of the efficiency with which the various activities represented in the bill are being administered. Here is a bill which involves many items, some in the legislative branch of the Government, some in the judicial branch and the remainder in more than half a dozen departments of the executive branch of the Government.

After exhaustive consideration by the committee, all estimates are reported to the House with recommendations for appropriation of the full amounts of the estimates. So economical has been the administration of the agencies that there is no proposal to cut any of them and so effectively have the affairs of the agencies been handled in the disbursement of their funds that no suggestion is made for retrenchment or improvement. Every item has been approved in full without reduction or criticism.

There is only one possible exception, which is not really an exception, and that is the estimate for the Veterans' Bureau. No suggestion for any readjustment of routine or service to veterans is made and no criticism of the Bureau is involved. The work of General Bradley and his staff is apparently satisfactory in every respect. The only proposal is to limit provision to the end of the fiscal year. So that is not to be taken as an exception to the rule.

There is a deduction in the amount provided for penalty mail. But, as has been amply demonstrated in the hearings on many of the supply bills, no real control is exercised over penalty mail appropriations, and such items may be considered largely as surpluses.

As a matter of fact, such items are worse than surpluses for the reason that they not only fail to effect any appreciable savings, but require additional personnel and involve the administration of additional machinery of operation, without corresponding advantage. For example, the Department of Agriculture alone expends on an average of \$200,000 annually for this purpose without convincing diminution of costs of distribution.

So, on the whole, inasmuch as no reductions or retrenchments are proposed, the report of the committee on the pending bill may be accepted as an expression of approval of the economy with which the various agencies supplied by the bill have been administered.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

OFFICE OF VOCATIONAL REHABILITATION

Such sums as may be necessary are hereby appropriated for making for the first quarter of the fiscal year 1948 payments to States in accordance with the Vocational Rehabilitation Act, as amended (29 U. S. C., ch. 4): *Provided*, That the obligations incurred and expenditures made for such purpose under the authority of this appropriation shall be charged to the appropriation therefor in the Labor-Federal Security Appropriation Act, 1948.

Mr. SABATH. Mr. Chairman, I move to strike out the last word. I would like to propound an inquiry to the

chairman of the committee. I notice there is \$500,000 appropriated for the Federal Security Agency. I would like to ask whether that is the amount that the Commission has requested or needs.

Mr. TABER. That is the amount the budget asked us for and that the representatives of the Employees' Compensation Commission asked for in full. There was no cut in that item.

The Clerk read as follows:

SUGAR RATIONING ADMINISTRATION

Salaries and expenses: Not to exceed \$415,000 of the \$898,000 transferred to the Department of Agriculture pursuant to section 3 (c) of the Sugar Control Extension Act of 1947 for the payment of terminal leave, is hereby merged with and made available for the fiscal year 1947 for the same purposes as other funds transferred to the Department of Agriculture pursuant to the same authority, notwithstanding the provisions to the contrary under the head "Office of Temporary Controls" in the Urgent Deficiency Appropriation Act, 1947.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 6, line 12, strike out "\$415,000" and insert "\$215,000."

Mr. TABER. Mr. Chairman, this amendment is offered pursuant to the discontinuance of household sugar rationing and the discharge of 800 people from the service.

Mr. CANNON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is gratifying that we are able to remove the last rationing limitation imposed during the war. It has come sooner than anticipated. Due to last-minute developments which have increased the supply of sugar available for distribution in the United States, and the reduced demand on the part of consumers, it is possible to lift the last war restriction on food and provide unlimited supplies to housewives in every market in the country.

In response to the mistaken assertion that this action was taken without advance notice to the committee it is only necessary to recall the statement of the Secretary of Agriculture when he appeared before the committee on this item week before last. At that time he made the unequivocal statement, as all present will testify, that he would discontinue rationing of sugar as soon as assured of sufficient supplies to warrant it.

In response to an inquiry from the chairman of the committee, at the hearings held on June 4, Secretary Anderson said he was awaiting advice from Cuba and if reports on the Cuban situation warranted it—as he hoped—he would terminate household rationing of sugar.

His hopes were more than realized as the International Emergency Food Council increased the quota of the United States and allotted us 350,000 additional tons of sugar from the world pool. This was made possible by the increased tonnage of Cuban sugar available for export and by the announcement that 200,000 tons of sugar from Java, the disposition of which had been uncertain, would be placed on the world market.

By way of resumé, Secretary Anderson told the committee on June 4 that if conditions with which he was in touch permitted, he would lift restrictions on sugar. Conditions developed favorably and in conformity with his assurances to the committee he discontinued rationing as of last night.

Secretary Anderson added, however, at the time, in response to the question from Chairman TABER, that in any event, whether rationing was lifted or whether it was continued, the \$415,000 would still be required for the remainder of this fiscal year; that even if restrictions were lifted, it would be impossible to notify the 800 employees to be dismissed in time to get in their 30 days' notice and accumulated leave before June 30, and the full amount of the estimate would be required to liquidate.

This conclusively disposes of the suggestion that Secretary Anderson should have notified the committee so that the estimate for that purpose in the pending bill could be rescinded. There was no occasion for the Secretary to further notify the committee and certainly no reason for his proposing reconsideration of the sum carried in the pending amendment. We must have this amount to close out the activity. If it is not appropriated in this bill it will have to be appropriated by a later bill. The amendment should be rejected.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Pennsylvania.

Mr. RICH. Was not the Secretary before the Committee on Appropriations yesterday asking for funds for the continuation of sugar rationing?

Mr. CANNON. Certainly not. He appeared before the committee on June 4.

Mr. RICH. Here it is June 12. In the meantime the committee reported out a bill to discontinue sugar rationing, and yesterday the Committee on Rules reported out a resolution for the consideration of that bill. The majority leader last night at 4 o'clock said we would bring that bill up today. Secretary Anderson knew yesterday after 4 o'clock that by today we would pass a bill doing away with sugar rationing, so he jumped the gun.

In other words, the Republican Party rode Secretary Anderson over the sugar barrel and then he decided that he would let the housewives have the sugar for canning for their own personal consumption. So, I think the Republican Party did a good thing in causing Secretary Anderson to have such a fine idea. It certainly is good for the country.

Mr. CANNON. The gentleman's attitude is reminiscent of the son-in-law who said he had so much trouble settling the estate of his father-in-law that "sometimes he almost wished the old man hadn't died."

The gentleman from Pennsylvania and his colleagues who have criticized the Secretary, would almost rather continue rationing with all its disadvantages to the housewife, than to see the administration getting credit for it.

Secretary Anderson considered discontinuing rationing of sugar in May, but

decided against it, as related in this morning's paper, because removal of rationing at that time would have placed the United States at a disadvantage in its application to the world pool for an increased quota from the Cuban crop.

He notified the committee on June 4 that he intended to lift restrictions if we got the increased quota, all this before there was any intimation that the bill H. R. 3612 would be brought on the floor today or any other time.

In accordance with assurances given the committee he acted on June 11 as soon as notified of the additional quota.

There are the facts and the dates. They speak for themselves.

Mr. KEEFE. Mr. Chairman, I do not intend to get into any gutter political discussion with my friend from Missouri, but he covers a lot of ground in the statement which he has just made to the Committee—as usual.

I attended the hearings of the Subcommittee on Deficiency Appropriations. I was there, as was the distinguished gentleman from California [Mr. SHEPPARD] and the distinguished gentleman from New York [Mr. TABER], but the gentleman from Missouri was not there. I think we know what transpired with respect to the sugar situation when the Secretary of Agriculture was before the committee. You can look at the record of the hearings and you will not find a word in them. It was off the record because the Secretary of Agriculture insisted upon talking off the record.

But I want the Members of Congress to know, despite anything that the gentleman from Missouri may say, and I want the people of America to know that when the Secretary came before the Subcommittee on Deficiency Appropriations and asked for this urgent authorization for a transfer of funds of \$415,000 in order to carry on sugar rationing he was questioned off the record, and he did tell us off the record what his program was. That program gave us the impression that the earliest that he could conceive at that time that sugar rationing could be lifted would be June 30.

I heard every word of the testimony, and I have been trained for 30 years to listen to testimony and to remember it.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. SHEPPARD. I am sure the gentleman recalls the off-the-record statement which was made by the Secretary in answer to an inquiry by the chairman of the subcommittee, the gentleman from New York [Mr. TABER], that if it was possible to accomplish that, although it was impossible on the basis of reports he had up to that time, he would do it if he could.

Mr. KEEFE. Yes; that is very true. He discussed with us the possibility of having a greater allocation out of the world pool of sugar which came to us out of the Cuban crop.

The thing about which we complain and about which I think the committee has a right to complain is not that the Secretary of Agriculture has lifted the restrictions on sugar rationing. We applaud that action. We do complain of the apparent attempt to secure political

advantage by getting headlines announcing the end of sugar rationing when his action was forced by Republican action. The fact that when he knew of the interest of the members of this committee and knew that we were going to report this bill today, he failed to advise us when he was before our committee as late as 4 o'clock yesterday afternoon. He must have known he was going to take off sugar rationing last night at midnight. He did not let this committee know he was going to let go over 800 employees as a result of the action which he took last night, and allowed us to come in here and report this bill which in view of his latest action asks for a transfer of funds away beyond what is necessary. He, whom we have treated with such great kindness and respect because we all like Clinton Anderson as a former Member of this House, did not even give to the members of this Subcommittee on Deficiency an inkling that he was going to take off this sugar rationing.

I want to say to you, I do not care what the gentleman from Missouri [Mr. CANNON] or anybody else who thinks as he does, thinks, the fact of the matter is that Mr. Anderson knew the Rules Committee had reported the bill from the Banking and Currency Committee on yesterday, that would have been before this House today, to have compelled the abolition of any further rationing of sugar. With that gun at his head he acted and took it off, and for no other reason. There is no member on this committee who had any idea there would be any lifting of sugar rationing, regardless of how we urged him, until June 30 at the very earliest date.

The record ought to show that and ought to be kept clear. Secretary Anderson hurried to remove rationing before the Republican Members forced him through passage of legislation reported out of the House Committee on Banking and Currency yesterday.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE] has expired.

The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was agreed to.

The Clerk read as follows:

Salaries and expenses of marshals, and so forth: For an additional amount, fiscal year 1947, for "Salaries and expenses of marshals, and so forth," \$140,000.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as has already been pointed out, I announced on yesterday about 4 o'clock that the measure to decontrol sugar, which had been reported by the Committee on Banking and Currency, had just been granted a rule by the Rules Committee to provide for its consideration on the floor of the House today, and that we proposed to call it up today. Subsequently, the Secretary of Agriculture himself, by Executive order, decontrolled sugar for domestic use. According to the press, he was asked as to whether or not the proposed congressional action had brought about that action on his part, and he said, "Possibly it is the other way around."

I would take that to mean that what he had done or said might have accelerated the action by the congressional committee. The fact of the matter is that the record is exactly the opposite. Mr. Anderson appeared before the Banking and Currency Committee on June 7, last Saturday, to testify upon the very decontrol bill that we proposed to call up today and it is clear that at that time he opposed the bill. In the course of his testimony he said this:

As to H. R. 3612 to terminate household rationing of sugar I might say that we find ourselves in sympathy with the purpose of the bill. We think the time is getting close when it might be done safely. We do not think the time has yet arrived. We think that because there are so many unknown factors still in the picture we are justified in waiting until we can be very sure that the supply is adequate.

Last Saturday he said the time was not here, he was against the bill.

Subsequently in his testimony he said, and I quote the Secretary of Agriculture:

So that I say while there are many indications that we are moving in the direction that this bill would propose, we do not think we are there at the present time.

Then to show what they really were thinking about—and the hearings as I have glanced through them contain many evidences of contemplation of things to be done in connection with the rationing of sugar to be long continued, the Secretary said this:

But to get to the purpose of this bill, we believe that when this present discussion or controversy over the remaining portion of the sugar crop is ended we will have available enough sugar to give the housewife, if we do not terminate domestic rationing, another 5-pound stamp, or we might have enough to give a 10-pound stamp for home-canning purposes if we felt there would be some restriction or control on the use of that stamp.

Mr. Chairman, I think from all of this it is perfectly clear that the proposed Republican action to bring about the decontrol of sugar stimulated the Secretary of Agriculture himself to issue his order of decontrol last night at midnight. So for whatever it may be worth and not to prolong the controversy but in order to keep the record straight, I think it clearly appears that had this legislation not been presented by the Committee on Banking and Currency and if the Rules Committee had not granted this rule, and if we had not declared on yesterday that we would take up today the decontrol measure, the order of decontrol would not have been issued last night.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. ARENDS. Do I understand that the testimony the gentleman has read, given by Mr. Anderson, was given on Saturday last, or just 4 days before the action he took on yesterday?

Mr. HALLECK. Yes; on June 7. That is the arithmetic of it.

Mr. JOHNSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. JOHNSON of Indiana. We have heard the proposed unification bill referred to as a "shotgun wedding." I

wonder if it would be proper to refer to this as a "shotgun divorce"?

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. RAYBURN. Mr. Chairman, I rise in opposition to the pro forma amendment of the gentleman from Indiana.

As I said earlier in the morning, of course, our friends expected the headlines to say tomorrow that the Republicans, in the House of Representatives at least, had given the American housewife some sugar. All this talk reminds me of when I first came here and I saw the comic strip Mutt and Jeff in the paper one day. They were sitting down at a table and had steak before them. Mutt carved the steak and he gave Jeff the small end of it. Jeff said: "You have got no table manners at all. If I were carving the steak I would have given you the big piece and kept the little one myself." The answer was, "What are you kicking about? You got it anyhow."

The Clerk read as follows:

Foreign air-mail transportation: For an additional amount, fiscal year 1947, for "Foreign air-mail transportation," \$21,262,000, of which \$5,977,000 is to be transferred in the following respective amounts from the appropriations "Domestic Air Mail Service," \$5,972,000, and "Electric-car service," \$5,000, \$15,285,000.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 9, line 16, after the figures "\$5,000" strike out the comma and the figures "\$15,285,000."

Mr. TABER. Mr. Chairman, that is a clerical amendment to correct the language so that the paragraph will read better.

The amendment was agreed to.

The Clerk read as follows:

SECRET SERVICE DIVISION

Reimbursement to District of Columbia, benefit payments to White House Police and Secret Service forces: For an additional amount, fiscal year 1947, for "Reimbursement to District of Columbia, benefit payments to White House Police and Secret Service forces," \$16,000.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 10, after line 15, insert the following:

"WAR DEPARTMENT

"Emergency flood-control work, \$12,000,000, to be expended in accord with the provisions of the bill, H. R. 3792, Eightieth Congress, if and when such bill is enacted into law, and to remain available until June 30, 1948."

Mr. TABER. Mr. Chairman, I have offered this amendment after consultation with the other members of the subcommittee and for the purpose of carrying out the provisions of H. R. 3792 which was passed by the House this morning.

I understand that there is a terrible flood condition existing out in the entire Mississippi Valley and that it is necessary immediately to go ahead and repair and supplement the dikes, levees, and other flood-control operations out there. It is in progress now insofar as funds are available.

Mr. Chairman, at this time I yield to the gentleman from Michigan [Mr. DONDERO], chairman of that committee, so that he may tell the committee at this point just why they brought this in at the present time.

Mr. DONDERO. Mr. Chairman, this bill passed the Committee on Public Works unanimously. In years gone by the Army engineers have been granted an appropriation amounting to ten or twelve million dollars annually as an emergency fund with which to repair levees and dikes wherever an emergency should occur. That fund has been exhausted and no funds are on hand to meet a present emergency.

This year, because of heavy rains, a great emergency exists in the Mississippi Valley, the Missouri Valley, and in other river basins. It is absolutely mandatory that the engineers have funds at once to meet such emergency. Therefore, our committee—the Committee on Public Works—passed this bill unanimously. The House this morning very generously passed it without a single dissenting vote, and it is thought best to expedite the passage of this bill, in order that this fund might be made available, by adding it to this bill rather than wait for action by the Senate on the authorization bill passed today by the House. I hope the House will accept this amendment. Both sides have been consulted. I understand there is no objection whatever.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Pennsylvania.

Mr. RICH. I spoke to one of the members of the subcommittee this morning with reference to this bill. I agree with you that the repair work on these dikes, and so forth, should be done just as soon as possible. But now let me ask the gentleman this question: Let me point out one specific instance. In the city of Bradford, Pa., last year, in May, they had a terrible flood. This year, in April, they had floodwater 18 inches higher than it was last year; the highest the water has ever been in that town. Now, they have built up the streams, but the streams are all filled up. They did not have the necessary number of dikes that the Army engineers recommended. The stream bed is filled up. They are going to try to open that stream so that the water can get through.

Mr. DONDERO. I suggest the gentleman contact the Army engineers or consult them regarding this matter to see what can be done to alleviate the situation the gentleman has described.

Mr. RICH. Then it is the intention in this bill to do the necessary work to cure this damage that has been caused by floods and the proper elimination of the water through the stream channel in order that we might reduce these floods?

Mr. DONDERO. There is no limitation in the bill whatever. This is an emergency fund to be used at the discretion of the Army engineers. We all have great confidence in the Corps of Engineers. It is due to the emergency caused by the recent floods that have taken place as the gentleman knows, all over this country.

Mr. RICH. The gentleman means during this year?

Mr. DONDERO. During this year; that is correct.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I want to compliment the gentleman and his committee for the speed and the fine sense they have manifested in handling this very serious proposition, and I want to ask just one question: The committee, as I understand, has done everything it could possibly do to make the distribution of this money absolutely fair and without any favoritism to anybody, and purely along engineering lines?

Mr. DONDERO. Exactly that, and we have great confidence in the Army engineers in their use of this money.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Pennsylvania.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. GAVIN. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for four additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. I might say that my district adjoins that of the gentleman from Pennsylvania [Mr. RICH]. I have a condition similar to that existing in the town of Bradford. In the town of Warren, with a population of 10,000, and Meadville and the immediate area, the flood conditions have caused estimated damages of \$1,500,000. All the stream requires is channeling and dredging and widening, and I sincerely hope that the Army engineers, under this bill, will give consideration to the difficulties that exist in that particular part of Pennsylvania.

Mr. DONDERO. I suggest the gentleman contact the Army engineers in regard to that.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Iowa.

Mr. JENSEN. I want to pay my compliments to the gentleman and his committee in bringing out this legislation. I also wish to thank our chairman of the Committee on Appropriations for permitting this item to go in this deficiency bill today in order to speed it up. We have a terrible flood condition in the lower reaches of the Missouri River and in almost all of its tributaries. Levees have been washed out and destroyed, and, if we do not get at this matter quickly, millions of acres will be out of cultivation this year. I again want to thank the committee, and I hope the amendment will pass.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Michigan.

Mr. SHAFER. I think the gentleman is well aware of the situation that existed in Michigan this year as a result of the

extraordinary rains in the Kalamazoo Valley.

Mr. DONDERO. Yes, I am. Some occurred in my district.

Mr. SHAFER. I have been in touch with the Army engineers, and they told me that I had to have special legislation passed for them to go into my district, to make the proper surveys, and to correct the situation as far as possible. Will this legislation take care of that? Can we expect the Army engineers to go into the Kalamazoo Valley?

Mr. DONDERO. They might, if they saw fit to do so, because there is no limitation except the provisions in the authorization bill.

Mr. SHAFER. Then by passing this legislation today it will not be necessary for me to submit individual legislation to provide for it?

Mr. DONDERO. I doubt it very much.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. HOEVEN. I commend the gentleman and the members of his committee and the Committee on Appropriations for putting this item in the bill. It is absolutely essential that this be done on account of the situation in the Missouri Valley. Sioux City in my congressional district is classed as being in the critical area. We are very happy to know that this money is being appropriated.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. The Mississippi River flood, as the gentleman knows, is just about to strike the part of Missouri I live in. We are going to have a lot of water down there. I should like to know if this money you are providing is applicable to the lower Mississippi as well as the breaks in other parts of the country.

Mr. DONDERO. There is no restriction on it whatever, except as stated. They can use it wherever they think the emergency demands in order to repair the damage done by recent floods.

Mr. ZIMMERMAN. That is on tributaries as well as the main stream?

Mr. DONDERO. That is true.

Mr. ZIMMERMAN. I compliment the gentleman on taking that step in the interest of the welfare of our country.

Mr. MUHLENBERG. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. MUHLENBERG. Is it not possible that the gentleman may have misinterpreted the wording of the act that was passed? Was that not to repair only existing levees and things of that sort? Have you not interpreted it a little broadly, therefore? I believe it is more specific.

Mr. DONDERO. The language of the bill contains the words "repair, restoration, and strengthening of levees and other flood-control works."

Mr. TABER. Or that may be threatened or destroyed by later floods.

Mr. DONDERO. The language is rather broad. It leaves it to the judg-

ment of the Army engineers as to how best this fund may be expended.

Mr. CANNON. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this amendment is a counterpart of provisions carried in bills enacted in the two previous Congresses. On two occasions they were considered as separate resolutions and on other occasions were carried, as in this instance, as riders on deficiency bills.

The amendment provides for repairs to existing river improvements and emergency flood control throughout the United States, but applies particularly to the upper Mississippi River, which is much in the public eye at this particular time due to unprecedented flood damage from the upper reaches of the river to St. Louis.

Beginning in southern Iowa and on down to St. Louis, practically every town situated on the river is inundated. In Hannibal, for instance, the fourth largest city in Missouri, and in other Iowa, Illinois, and Missouri cities, streets are flooded, business is impeded, large areas are devastated, property has been destroyed, and lives have been lost.

Levees have been broken and fields are under water from Iowa down to the confluence of the Missouri and Mississippi Rivers.

The advantage of this provision is that it not merely takes care of the emergency at this particular time but preserves permanent river work which, unless supported, will result in permanent loss, and in the end will involve expenditures of many times the amount carried in the pending bill.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. The gentleman made the statement a while ago that it applied to the upper Mississippi. The gentleman knows the flood is now past St. Louis or reaching St. Louis, and will soon pass down to the lower Mississippi. This money is available for breaks or damage that may be done on levees on the lower Mississippi as well as the other parts of the river? Is not that right?

Mr. CANNON. That is true. All sections of the river and its tributaries. In fact, it provides for emergency flood control wherever needed, throughout the United States.

Mr. ZIMMERMAN. I wanted that to be clear.

Mr. CANNON. It is especially applicable to the gentleman's section of the State where rich agricultural areas and expensive engineering projects should have protection.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Louisiana.

Mr. BROOKS. I commend the committee on this prompt action in handling this matter. I think it is vitally needed. I notice by the press dispatches that there have already been more than 20 deaths from floods in these areas.

May I ask the gentleman if this appropriation will be available to any tributaries of the Mississippi, too?

Mr. CANNON. It will be applicable to emergency flood control in any part of the United States. Of course, the emergency which has brought about such prompt action at this time has been precipitated by the situation on the Mississippi, where unprecedented floods are sweeping down the valley and must have early attention.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Tennessee.

Mr. COOPER. As has been indicated here, this is general in its application and under the discretion of the Army engineers to carry forward this work where it is needed?

Mr. CANNON. Yes, funds will be at the disposal of the Army engineers as heretofore. I might say in answer to the gentleman from Tennessee that the Board of Engineers advises us that funds which ordinarily are available to the Army engineers for this purpose have now been exhausted, and unless replenished by the pending amendment will leave the corps without means to meet the routine needs of the Department—much less to take care of the emergency requirements referred to in the debate here this morning.

Mr. Chairman, I hope the amendment will be agreed to.

Mr. TABER. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. EBERHARTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am very glad that both the legislative committee and the Committee on Appropriations have acted so promptly in this very important and vital matter of flood-control protection. It shows that the House of Representatives can act speedily in an emergency.

This matter coming up recalls to my mind the fact that at the present time the Subcommittee on the War Department Appropriations is considering the very subject of flood-control appropriations for the fiscal year 1948. I do hope that the Committee will take to heart the lesson that is here before us today on how much damage floods can do not only to the homes and farms and industry of the country but to the very lives of the people. I do hope the Subcommittee on Appropriations for the War Department, having this matter under its jurisdiction, will not follow a policy of false economy by trying to cut down on flood-control appropriations. If we do that, I am sure it will not be for the best interests of the country. The whole country will be aroused next year if floods reoccur and if many projects which could have been completed are not completed because the committees were too economy-minded. I hope they will keep this in mind. Again I say I am glad that the committee acted expeditiously and wisely in this matter.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Louisiana.

Mr. BROOKS. I am glad to hear the distinguished and very able gentleman from the great State of Pennsylvania make the remarks that he has. I think it is false economy to cut down too much on flood control and on projects of this character. We often sustain a loss over and above our expenditures when we seek to economize falsely on projects of an internal character such as this.

I can recall in 1945 when we had an all-time record flood on the Red River. We sustained damages of something like \$16,000,000 that year from the all-time record floods in that valley. We appropriated that year \$15,000,000 for emergency purposes which shows that if we could have prevented that flood we would actually have saved in wealth more than we expended for floods all over the country in that year.

Mr. EBERHARTER. I thank the gentleman for his remarks.

In my own particular area when a flood occurs the loss in payment of corporate income tax and personal income taxes far exceeds the cost of flood-control projects. So that it is false economy not to complete those projects at the earliest practicable moment.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. EBERHARTER] has expired.

All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was agreed to.

The Clerk read as follows:

GENERAL PROVISIONS

SEC. 102. The appropriations and authority with respect to appropriations contained in (1) any regular annual appropriation act for the fiscal year 1948, or (2) contained in other than a regular annual appropriation act for the fiscal year 1948, and being for such fiscal year, or (3) contained in other than a regular annual appropriation act for the fiscal year 1948, and being supplemental to an existing appropriation and for obligation after June 30, 1947, such acts not being laws on July 1, 1947, shall be available from and including July 1, 1947, for the purposes respectively provided in such appropriations and authority. All obligations incurred during the period between June 30, 1947, and the date of enactment of such appropriation acts as may not have been enacted on or before July 1, 1947, in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms thereof.

Mr. O'KONSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the \$12,000,000 appropriation recently enacted brings to mind some experiences I have had with flood disasters in my own district during the past 4 years. I might mention that during the past 4 years five small communities in my district were practically wiped out by floods.

I want to pass on to you gentlemen who are witnessing that experience now in your various districts that you are up against a stone wall in trying to get some aid for reconstruction or rehabilitation. It brings to mind how thoroughly inadequate are our Federal funds and our Federal laws when it comes to the aid

of communities that have been stricken by a disaster of any kind.

In my district the little town of Mellen, where a power dam broke loose, was practically wiped out. Even when it came to getting equipment whereby the citizens of that community could reconstruct the community and pay for it themselves, they were handicapped. In other words, they could not even get priorities in the county in which the community was located, when they offered to pay for the equipment, for bulldozers and caterpillars and such machinery as that. They could not even get the necessary priorities approved by the War Assets Administration to get the equipment that they themselves offered to pay for with their own money, to reconstruct their community.

I call attention to this fact that those of you who are having the experience now, where your communities have been washed out as a result of floods, that there is nothing in the Federal appropriations today to help you. For instance, if a street has been destroyed in a community, there is no Federal aid of any kind available to reconstruct that street. The only aid that is available is where there is a Federal dam involved or a Federal highway involved. Then, of course, there are Federal funds available to help in the reconstruction. But I want to point out this fact, that what we need, in my judgment, is a Federal agency set up, with an appropriation, to come to the aid and rescue of communities which have been stricken by disasters. Our laws and our appropriation bills in that respect at the present time are entirely inadequate for that purpose. I think if we can offer to reconstruct the world, we can have a provision whereby we can reconstruct our own communities that have been stricken by disaster.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I yield.

Mr. RICH. I agree with you, that rather than spend our money by the millions and the hundreds of millions doing everything to build up some war power in some other nation, we ought to try to help our own communities. But I do not want to go quite as far as the gentleman in that respect. If everybody came to the Federal Government to get money to do everything and repair all damages caused by floods, then you would break the Nation. We do not want to do that.

The Clerk concluded the reading of the bill.

Mr. TABER. Mr. Chairman, I move that the Committee do now rise, and report the bill back to the House with sundry amendments with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. AUGUST H. ANDRESEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3791) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending

June 30, 1947, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. TABER. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RULE MAKING IN ORDER HOUSE RESOLUTION 223

Mr. RICH. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 223, providing for the consideration of the bill (H. R. 3492) to provide for the expeditious disposition of certain war housing, and for other purposes.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3492) to provide for the expeditious disposition of certain war housing, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Pennsylvania is recognized for 1 hour.

Mr. RICH. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH] and yield myself such time as I may use.

The SPEAKER. The gentleman from Pennsylvania is recognized.

Mr. RICH. Mr. Speaker, this rule speaks for itself. It makes in order H. R. 3492, a bill from the Committee on Banking and Currency in reference to the disposition of certain wartime housing. It is very timely in my judgment that we should sell these houses to the citizens of this country and clean up this war mess just as fast as we possibly can. Turn the cash over to the Treasury and cut down expenses. This will be explained in full by members of the Banking and Currency Committee. I am sure this will be considered welcome on the floor of the House by the membership so that we may in orderly procedure dispose of the surplus property and do what is necessary to economize in the operation of our Government. We will secure the funds from the sale of these properties and return

this money to the Treasury of the United States and if we do the right thing so far as the business of the country is concerned we will turn over the money received from the sale of this surplus property to the Treasury in order that we can cut down the interest rate and make this really a good business administration. We must take the Government out of business and put more business methods in the operation of the Government.

OPPOSES HOUSING TRANSFER

Mr. SABATH. Mr. Speaker, the rule has been explained by the gentleman from Pennsylvania [Mr. RICH] so I shall not waste any time on that. The bill that this rule makes in order will transfer from the National Housing Agency the authority to dispose of approximately 166,000 housing units contained in 520 projects to the Federal Works Agency. This housing is of a permanent nature and is really in about 300 different cities of the country. The amount that it cost to construct these housing units was close to \$750,000,000. Under the bill the housing must be disposed of by December 31, 1948, and the Federal Housing Administration will be authorized to insure mortgages on such sales.

Preference is provided to veterans in buying this housing but it also allows corporations, associations and co-operatives to buy these properties containing many units and giving preference to two or three veterans who must exercise their option to buy from the private agency or agencies within 60 days, otherwise these private agencies can sell them to anyone.

WILL ENCOURAGE SPECULATION

I charge that this will enable these private agencies to speculate and will in the majority of instances deprive the veterans of the opportunity of obtaining these homes. Why should authority to dispose of these properties be taken away from the National Housing Agency and transferred to the Federal Works Agency, an agency which is not set up with experienced personnel to undertake this job? The National Housing Agency has been working on the disposition of this housing for nearly 18 months, and has already sold many of these dwellings and made commitments and is now in a position to act speedily.

I feel this transfer should not be made, as I honestly believe the Federal Works Agency cannot do the job as well as the National Housing Agency because the latter has the experience and knowledge and it has had jurisdiction for all these years. Instead of economy resulting it will cost the Government large sums of money by transferring this matter to the new agency. It does not tend toward economy.

I am interested in the veterans having the opportunity to obtain these homes, but under the wording of this bill I am fearful that the real-estate manipulators will obtain possession and the veterans will find themselves out on a limb.

This is substantial permanent housing we are disposing of here. They are occupied by tenants paying the Government fair compensation.

TRIUMPH OF THE REAL ESTATE LOBBIES

This legislation, Mr. Speaker, is the final triumph of the real estate lobbies which have bitterly fought every effort of the Government to help the unfortunate people who otherwise could have no decent shelter.

We all know that the Lanham Act itself was hedged around with all sorts of limitations written in by the real estate lobby.

But that was not enough for the unending avarice and malice of this high-pressure gang which can even libel the senior Senator from Ohio without laughing. When they have everything, they still want more.

Under the terms of this bill the Federal Public Housing Authority, the agency now clothed with the authority to administer and dispose of the Government's public housing projects—including the Lanham Act wartime construction—will be stripped of its jurisdiction.

Once more, and this time by the deliberate mandate of Congress at the instigation of special privilege, and not by the accident of emergency growth, the work of years in gathering all the Government's housing activities in a single efficient agency will be undone and the property dispersed. You all remember when 19 different housing agencies existed at one time.

HAVE LOBBIES OUTDONE THEMSELVES?

Mr. Speaker, it is unthinkable that a bill so obviously weighted toward the benefit of a few, at the expense of the many, should pass in this House; that this Congress should deliberately throw away all the gains of the last 14 years; yet it probably will pass.

I can only say that when the American people learn the full shame of this surrender to private greed, their rage will be enormous; and that knowledge will become a flaming issue just as the election campaigns of 1948 get under way, as the dead line for bids is reached in July 1948.

Do you on the Republican side think that then you can disclaim responsibility for giving away to inordinate avarice?

The true issue in many of the recent triumphs of business lobbies in Congress has been obscured by clouds of oratory and misrepresentation, by war-weariness and shortages and sheer boredom.

Here the issue is clear: Is this a government of the people, by the people, for the people; or is it a government of the people by profiteers for profiteers?

I have used the phrase, "invisible government," before to describe what is happening. Now the invisibility is wearing away. The deft hands of the real estate lobby have left highly visible fingerprints all over this bill. Why, you can almost hear their voices. It was for this and for other acts of legislative violence against the will of the people that manufacturers, wholesalers, builders, contractors, and realtors have been tapped, and tapped, and tapped again for a war chest.

BILL RAPES THE HOUSING PROGRAM

Others better informed than I, particularly the members of the Committee on Banking and Currency who signed the minority report, will explain later in more detail the full implications of this

rape of the public-housing program; but I cannot resist some brief observations.

First, the legislation defies the recommendations of President Truman—and of every housing expert not bound to the lobby—that there should be a single, unified housing agency, and reverses the judgment of the late President Roosevelt and of three previous Congresses on that score. This bill scatters both administration and disposition all over the map—it gives a bit to every agency except FPHA, the one agency equipped with personnel and trained by experience to carry out the intent and mandate of the Lanham Act. The pressure boys like to have it scattered.

Administratively, on every count, the bill, if enacted, would be virtually unworkable.

This legislation pointedly ignores the existing set-up; pointedly ignores previous congressional directives; pointedly ignores the social and economic benefits of existing procedures. Its obvious intent is to discredit the public-housing program by setting up an impossible task.

The bill would waste all the work and time and effort and taxpayers' money already put into a carefully planned process of orderly and beneficial disposition.

SETS STAGE FOR NEW TEAPOT DOME

The bill repudiates provisions of the Lanham Act, and repudiates agreements already entered into with good faith on both sides based on previous congressional mandates. It presents an unconstitutional mandate which must be untangled by the courts.

But, worst of all, and most dangerous of all, it sets the stage for a new Teapot Dome scandal.

The disposition procedure set up in this bill is not only maliciously and intentionally cumbersome, but is so clearly against the public interest that even the most naive and trusting individual must have his suspicions aroused.

On the face of it, the bill has two major objectives which do not jibe:

First. To clear housing out of Government ownership with disorderly and undignified haste by December 31, 1948.

Second. To bring back to the Government the largest possible cash return.

The obvious effect of this is to open the way for disposing of almost three-fourths of a billion dollars in Government property at give-away prices to big interests who can put up that amount in cash, and at the same time crack the overinflated real-estate market by dumping and precipitate a near panic.

If any member should believe my words are too darkly prophetic, then let him read this bill with care and note the loose language, the conflicting objectives, and the calculated chaos to be wrought by the bill should it be enacted.

LIP SERVICE TO VETERANS MEANINGLESS

I believe in economy. I believe in the true economy of efficiency. This bill is another example of penny-wise, pound-foolish false economy which the Republican Party seems bent on making its own trade-mark. This bill will increase the cost of disposition of the property.

As for the sops tossed to veterans, they are meaningless lip service.

Veterans do not have such large sums of cash. Few of them have had an opportunity to build up bank credit, or to accumulate any collateral security for bank credits. It is much more likely that this legislation will enable greedy private operators to defraud the veterans, or at best to increase their cost of living sharply with increased rents or inflated prices.

We promised the veterans that when they fought their way out of the foxholes we would provide them with a decent place to live at prices they can afford to pay. Has the Republican Party utterly forgotten those fine promises, or is this just indifference, cold, callous, heartless indifference, to the brave men who risked their lives that America might live?

It is true that this bill provides for FHA guaranties on mortgages; and if this single provision is actually administered in the interest of the veterans it might be helpful. But this is only one of many provisions in the bill, and the net effect of the bill is so inimical to the public interest, and to the veterans' interest, that it ought not to be passed.

Mr. RICH. Mr. Speaker, I yield 5 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER of Connecticut. Mr. Speaker, I am glad we have this rule called up and that we are to consider the legislation that will follow it. I direct the attention of the House to a situation that exists now insofar as Federal housing is concerned. In my own congressional district we have several projects built under the Lanham Act. Recently in one of the projects, in fact, in my home town, we find this situation: A duplex house, a two-family duplex, is occupied on one side by a war worker who has been in that house all during the war and is still there, and on the other side is a returned veteran who came back after VJ-day. The war worker is paying a rent \$4.50 a month lower than that now being paid by the war veteran. You will find it all through those projects in that area, different rents for identical living quarters.

In that particular project, in some of the units the rents were set when the project was opened in January 1943 at \$45 a month, including the utilities. In the summer of 1943 OPA was asked to review the project and they made a review. In November of 1943 they set higher rents for this Lanham housing project. It is my understanding that under the Lanham Act—and I wish the gentleman from Michigan would tell me if I am in error—the Federal Housing Administration is supposed to have charged a reasonable economic rent throughout the war period. Is that correct?

Mr. WOLCOTT. I do not know that I can answer the gentleman until I know in what category this particular housing is.

Mr. MILLER of Connecticut. The so-called Lanham Act permanent housing.

Mr. WOLCOTT. Yes; they must charge an economic rent, but the rent was set in conference between the Administrator of FPFA and the Administrator of OPA.

Mr. MILLER of Connecticut. In the case I am complaining of, OPA set a higher rent ceiling in the fall of 1943.

Those increases were never made effective until after VJ-day. The result is that the returned veteran coming back and occupying that housing, as I said at the outset, is paying in some cases \$4.50 a month more for the identical unit, the other half of a duplex house, than is being paid by the war worker who occupied it all the time.

Now it comes to the disposition of housing, and we are going to have a tremendous problem in those areas where there just are no vacant tenements at any price. You cannot evict the people that are in there to make that housing available for veterans. I think we are going to have a tremendous amount of confusion, or worse, now that the regional office in Boston has notified the housing authorities in those communities that they must now, 2 years after the war has ended, charge the maximum OPA rent ceiling. It is my understanding that under the OPA law there was no such thing as a minimum or a maximum rent; there was a rent ceiling. The result is that these veterans feel that during the war FPFA charged the war workers a lower rent, people who could well afford to pay a reasonable, economic rent, and the war veteran now coming back, and in at least 30 percent of the cases occupying that housing, is being called upon to pay a greatly increased rent above that which was paid by the war worker. In other words, in one project the rents have gone from \$45, that was charged to war workers, up to \$62.50; that is what they are now charging the war veterans. I can say to you that there is tremendous ill feeling among the occupants of these housing projects. I am glad this legislation is here, because I believe that as a result of this legislation we might get the Federal Government out of the picture altogether.

Mr. WOLCOTT. I have the language of the law in respect to the rents now, if the gentleman would care to have me put it in the Record.

Mr. MILLER of Connecticut. I would like to have that in the Record.

Mr. WOLCOTT. It states:

Provided further, That the Administrator shall fix fair rentals, on projects developed pursuant to this act, which shall be based on the value thereof as determined by him, with power during the emergency, in exceptional cases, to adjust the rent to the income of the persons to be housed, and that rentals to be charged for Army and Navy personnel shall be fixed by the War and Navy Departments.

Mr. MILLER of Connecticut. I can say to the gentleman that insofar as that area was concerned the war workers were well able to pay an economic rent. It now appears that the war veteran is being called upon to pay a substantially higher rent to make up the losses that occurred during the war.

Mr. SABATH. Mr. Speaker, I yield 15 minutes to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Speaker, this bill purports to provide for the "expeditious disposition" of permanent war housing. It also purports to set up preferences to veterans in the sale of this housing.

Actually, this is a bill to expedite the movement of most of this permanent

war housing into the hands of greedy real-estate speculators. Behind the smoke screen of preference to veterans these real-estate speculators would surely be the principal beneficiaries of this hasty, ill-conceived, and unworkable legislation.

There is another aspect of this legislation which merits the attention of the House. It appears to me that one of the main purposes of this bill is to disrupt the present vitally needed housing program. That is the only meaning I can place upon the provision of the bill which would transfer the authority and responsibility for the disposition of our permanent war housing from the National Housing Administrator to the Federal Works Administrator.

Certainly you do not expedite the disposition of war housing by taking the job away from the agency specially equipped with facilities and experience to perform it effectively, and by giving the job to another agency without the facilities or experience needed. And you certainly do not economize by an arrangement requiring the Federal Works Agency to set up an entirely new and duplicating housing organization. No; the only way this transfer makes sense is to recognize it as another effort on the part of the real-estate lobby to knife the housing program, which should be first in the minds of all of us today.

I think the House will be interested in the history of the transfer provision contained in this bill. If you have read the hearings conducted by the Banking and Currency Committee, you will note that the only witness recommending the transfer of our permanent war housing to the Federal Works Agency was one Mr. Morton Bodfish, representing the United States Savings and Loan League. Many of you are probably acquainted with Mr. Bodfish or are at least familiar with his reputation as one of the smartest lobbyists operating on Capitol Hill. The "kingfish" gets around a lot. And he certainly has been faithful in his attendance at the sessions of the Banking and Currency Committee. I understand he is the author of the "blackjack" clause in the "phony" rent-control bill passed by the House on May 1, the clause which permits the landlords to say to the tenants: "Sign for a 15-percent increase, or we'll slug you."

I am informed by one of the members of the Banking and Currency Committee that this "kingfish" was permitted to rise in the audience during the course of the hearings and question the Federal Home Loan Bank Commissioner with the same latitude as any member of the committee for almost an hour. And that although this did occur, the colloquy is strangely not printed in the committee hearings.

Mr. "Kingfish" Bodfish, who is always quite at home in committee hearings, appeared as the next to the last witness before the committee. Up to that time no witness during the hearings had suggested transferring the disposition of our war housing to the Federal Works Agency, and, of course, the committee then had no bill before it; the hearings were simply an exploration of the general

disposition problem. Mr. Bodfish proceeded to lecture the committee on his housing views, which are in line with those of the real-estate lobby generally. He then recommended that the disposition job be transferred to the Federal Works Agency and made other recommendations as to the methods of disposition.

All these recommendations appeared miraculously in this bill when it was finally introduced 24 hours before the committee voted to report it out—in fact, Mr. Bodfish's recommendations represent the core of this bill. There were no open hearings held on this bill; the hearings were closed more than a week before the bill was introduced. There was no effort made to get the views of Major General Fleming, the Federal Works Administrator, as to whether his agency is equipped to carry out this disposition job in a field totally unrelated to its present activities.

The real-estate lobby is in favor of this bill for two reasons: First, as I said, the bill will weaken the housing program by knifing the National Housing Agency; second, the bill will play into the hands of greedy real-estate speculators.

The speculators will have a field day with those war-housing projects which will have to be sold as projects rather than disposed of by individual sale of the individual buildings. I am advised that more than 300 of the 540 permanent war-housing projects will have to be sold on a project basis because of the nature of the buildings, the use of common utilities, or similar factors. For such project sales the bill extends a first preference to "any private corporation, association, or cooperative society which is the legal agent of veterans who intend to occupy the war housing purchased by such corporation, association, or society."

As I interpret this, the door is left wide open for real-estate speculators to become the eventual owners of these projects. In order to qualify for a preference does the membership of the corporation, association, or cooperative society have to be composed exclusively of veterans who will occupy all the dwelling units in the project. This would impose an almost impossible requirement; many of these projects are large and experience has shown that there is great difficulty in forming groups composed exclusively of veterans to purchase the larger housing projects. Consequently, few, if any, bona fide war veteran groups would be able to qualify for this preference if they had the money and the projects would have to be thrown open for sale to speculators in order to meet the December 31, 1948, sales deadline which this bill also sets up.

Does this language mean that any private organization serving as legal agent for two or more veterans would qualify for preference? If this is correct, then this provision is a joker and would be a direct invitation to speculators to form dummy corporations, with a handful of veterans as frontsmen, and thereby secure preferential rights for the purchase of projects containing 500 to 1,000 dwelling units.

I believe that our war veterans are entitled to a preference in these housing projects. I believe they are entitled

to a real preference which will enable them to get the benefits of this housing under terms and conditions that will work. But the phony preference I have just described is no real preference at all; in combination with the requirements for cash sales and for disposal of all properties by December 31, 1948, it is merely a smoke screen for the acquisition of this housing by real-estate speculators. Do you suppose the mighty real-estate lobby has gone philanthropic?

The present bill would do another big favor for the real-estate lobby. It would absolutely ban local governments from acquiring projects for use as low-rent housing. The Lanham Act says that these projects may not be transferred to provide subsidized housing for persons of low income "unless specifically authorized by Congress." The insertion of that clause carried the clear intent that local governments would have the privilege of submitting requests to Congress for transfer of certain projects for postwar low-rent use if they so desired. In reliance upon that provision, 47 local governments have officially requested that 72 permanent projects containing over 18,000 dwellings be reserved from sale until formal requests can be submitted to the Congress for their transfer to low-rent use. A number of other cities and towns have been studying their housing situations to determine whether they wish to submit similar requests.

These local governments should have the opportunity to present these requests to the Congress, in accordance with the existing provisions of the Lanham Act, and to have the Congress pass upon them. I also call the attention of the House to the fact that the transfer of some of these projects to low-rent use, where the projects are suitable and needed for that purpose, would afford the only opportunity for low-income veterans and their families to get any benefit whatever from this permanent war housing. Certainly they will not get any benefit from the housing that is sold to speculators and most of them cannot afford to purchase any of the individual units themselves. The low-income veterans are the worst sufferers from the housing shortage. Yet this bill would completely foreclose the transfer of any of this housing to local governments for low-rent use. It would even deny these local governments any preference over real-estate speculators in the cash purchase of this housing at its appraised value.

The all-powerful real-estate lobby wants this bill to pass. It fits in with the lobby's attack against an effective housing program. It would give real-estate speculators the chance to buy a large volume of good housing at low price, with the prospect of reaping big profits from the lapsing of rent control and the continuation of the desperate housing shortage.

In the time allotted I have been able to cite only a few of the most glaring weaknesses of this bad bill. There are only two ways to correct this bill. One is to recommit it to the Committee on Banking and Currency. The other is to vote the bill down. I intend to do so.

Mr. RICH. Mr. Speaker, does the gentleman from Illinois care to yield further time?

Mr. SABATH. Mr. Speaker, I have no further requests for time.

Mr. RICH. Mr. Speaker, I move the previous question on the resolution. The resolution was agreed to.

DISPOSAL OF WAR HOUSING

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3492) to provide for the expeditious disposition of certain war housing, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3492) providing for the disposal of war housing, with Mr. BENDER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Michigan [Mr. WOLCOTT] is recognized for 1 hour and the gentleman from Kentucky [Mr. SPENCE] for 1 hour.

The gentleman from Michigan is recognized.

Mr. WOLCOTT. Mr. Chairman, I yield myself 15 minutes.

The CHAIRMAN. The gentleman from Michigan is recognized for 15 minutes.

Mr. WOLCOTT. Mr. Chairman, it will be recalled that under the Lanham Act we authorized the construction of certain permanent units as well as temporary housing accommodations. The bill before the committee today deals with the disposition of the permanent units only.

The law as it now exists requires the disposition of these permanent projects. The power to administer them and dispose of them rests in the Federal Public Housing Authority. These properties are owned by the Federal Government.

Along in February, as a result of some hearings before the Appropriations Subcommittee on Government Corporations, it developed that the Federal Public Housing Authority was disposing of these units in such a manner as to effectuate certain very doubtful policies. It came to our attention that the Administrator was entering into commitment contracts for the sale of these properties to cooperatives of tenants, with in some instances 5 percent down payment and a loan for the balance amortized for as long as 45 years at 3½ percent interest. We decided that we should take a look at this program; that if there was a question of policy involved, it was our duty and responsibility to formulate that policy, especially when there was an existing policy under which the properties would not finally be disposed of for from 40 to 45 years. We thought it was a matter of congressional duty to determine the standards under which these properties should be disposed of.

When we found out that Mr. Myer, the Commissioner, was reserving certain of these properties for sale to local housing authorities and municipalities, contrary as we thought, and still think, to the spirit and intent of the Lanham Act, we asked by a resolution passed by the joint

committee that he not dispose of any more of these projects unless he got cash for them until the House Banking and Currency Committee had an opportunity to study the matter and lay out a policy under which they should be disposed of.

That resolution was sent to Mr. Myer on February 25, 1947, in a letter, the resolution providing—

That it is the sense of this joint committee that sales of permanent war housing units by the Federal Housing Authority be limited to such transactions as will return all proceeds of the sales in cash to the general fund of the Treasury of the United States at the time of the consummation of the sale.

It was very well understood by Mr. Myer and by the committee that this was a temporary arrangement, designed only to keep the matter in status quo by more or less mutual agreement, because, of course, the resolution did not have the effect of law. We said we would get to it within a reasonable time. We said that probably 60 days would be a reasonable time. And almost 60 days to the day, or a little better, we reported out a bill, after weeks of hearings and discussion.

I am still a little concerned that some might believe what the gentleman who preceded me said about the hearings. Here are the hearings; the open public hearings held on this matter. They contain something like 170 pages of testimony, questions and answers, and on page 1 is the list of the witnesses, and the exhibits which were submitted, and even a casual reading of the hearings by the gentleman should have even convinced him that there had been open hearings.

I would suggest for his reading the testimony of the chairman of the housing committee of the American Legion. The American Legion submitted to the Committee on Banking and Currency a plan, and the plan which we have provided for for the disposal of Lanham permanents in this bill follows not, of course, verbatim the recommendation of the American Legion, but in principle it is the American Legion proposal. So, it is quite satisfactory to them.

I wish that you might read the testimony of the Veterans of Foreign Wars by which we have been informed the bill is substantially in compliance with the recommendations made by the Veterans of Foreign Wars and is quite satisfactory to them.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Iowa.

Mr. JENSEN. I think it would be well to state that not only the American Legion but also the Veterans of Foreign Wars approve this bill in toto. I know of no serviceman's organization that is not in favor of this bill. I understand they are wholeheartedly in favor of it.

Mr. WOLCOTT. I understand there is only one veterans' organization, the American Veterans Committee, that might be opposed to it.

Mr. JENSEN. Of course, the American Veterans Committee is not composed entirely of veterans. Anyone can join the American Veterans Committee. That is why they call it a committee, so

most of us do not consider that a veterans organization.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Illinois.

Mr. CHURCH. It seems to me that it is very apparent that the gentleman who preceded the present speaker, the gentleman from New York [Mr. ROONEY] simply had not read the hearings. Men of distinction and ability in this field appeared, as has now been pointed out by the gentleman from Iowa [Mr. JENSEN]. Men like Mr. Morton Bodfish and other able men appeared. That simply indicates, from what he said, that he had not read the hearings and was not familiar with the subject.

Mr. WOLCOTT. I might say for Mr. Morton Bodfish that he, as well as all other representatives of all segments of our economy who are interested in legislation pending before the Committee on Banking and Currency, will continue to receive a very courteous reception if he has any information to offer to the committee on any matter pending before the committee.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Is it intended by the language of section 9 to make valid agreements entered into by the Government with local housing administrations?

Mr. WOLCOTT. The gentleman is entirely correct. Section 9 was put in to continue oral as well as written contract which had been made previous to February 26 with respect to the disposition of these properties.

Mr. WALTER. In other words, it is intended to make oral contracts as binding as would be written contracts.

Mr. WOLCOTT. Yes.

Now, there is no question about the American Legion endorsing this legislation because it is virtually the proposal which they handed to the committee. I want to read what the Veterans of Foreign Wars had to say in a letter to me as chairman of the committee under date of May 20, 1947, the first paragraph of which reads as follows:

On behalf of the Veterans of Foreign Wars of the United States, I would like to take this opportunity to thank you and the members of your committee for your realistic thinking in drafting the bill H. R. 3492. The several thousands of permanent war housing units that would be sold to veterans under the provisions of this bill will materially help veterans in the low-income brackets to obtain a home of their own at a price they can afford.

It is unfortunate that someone in the Federal Public Housing Authority gave out the information that the program which they had set up was a veterans' program. It was the opposite to a veterans' program. The only veterans who could possibly be benefited under the policy which was put into practice and had been in practice by the FPHA was that a veteran might be a tenant in one of the properties they were going to dispose of. A veteran who was not a tenant in the property to be disposed of was just as far out of this picture as if he

had not been a veteran at all or lived a thousand miles away from the project. And, of course, even a veteran living in a project which was being reserved for transfer for low-rent use had no opportunity to purchase the property, or participate in its purchase.

Taking cognizance of the fact that somebody somewhere or other was using some broad powers under the Lanham Act to perpetuate the base upon which a socialized economy might eventually be built, taking cognizance of this fundamental problem which has confronted us in respect to housing ever since 1937, this committee did what I think to be the American thing at this particular time in setting up the standards under which these properties should be sold. We have set the program up in such a way, notwithstanding anything which the administrator of this act thinks to the contrary, under which we are giving the veterans real priority to acquire housing at the lowest possible cost. They should be able to buy these units on an average of something slightly more than \$3,000. Have that in mind. Neither the veteran nor anyone else can build a house today or buy a house for less than \$6,000 at the very minimum, in the North, anyway, where they must have basements. But here is an opportunity we have provided for the veterans to get good, permanent homes cheaper than they can buy them anywhere else. That is what we intended to do.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself ten additional minutes.

We provide that these properties shall be offered for sale first to veterans, and we provide also that where the project can be split up and sold as individual units they shall be split up and sold as individual units, so that the individual veteran can get a single home. I will not attempt to cover all of them, but there is a series of preferences covering a period of 180 days, even to the point of providing that the whole project must be set aside for veterans' groups, veterans' organizations, or those organizations which are set up as legal agents of veterans, so that a veterans' organization, a group of veterans, can get together and buy a whole project. There is nothing better in my perspective than that. It is something that should be done. In this case we assure them of shelter, we assure them a roof over their heads. The veterans have told us that they are very much more concerned with obtaining shelter than they are with listening to the demagoguery which has been going on around here that the Government under the program up to the present time has been doing something for them. The veteran wants a home, not promises.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. ROGERS of Florida. Will the chairman of the committee please explain how much money a veteran would have to have before he could buy one of these units?

Mr. WOLCOTT. He would have to have 10 percent because we have made

the properties eligible for FHA insurance, and the FHA can insure the mortgages at 90 percent.

Mr. ROGERS of Florida. If the veteran has 10 percent of the purchase price, then he can buy the property?

Mr. WOLCOTT. Let us say that the unit is to be sold for \$5,000, which should be much higher than the average. If the veteran has or can borrow from the Veterans' Administration or elsewhere \$500, then he can have the balance of the mortgage insured by the FHA, and he can pay back the mortgage over a 20- or 25-year period.

Mr. ROGERS of Florida. Would the gentleman have any objection to an amendment providing that terminal leave bonds should be accepted as a first payment on these houses?

Mr. WOLCOTT. I can see no particular objection to it, although it is something that we have not discussed.

Mr. ROGERS of Florida. The gentleman would not object to such an amendment?

Mr. WOLCOTT. I believe not. Personally, I cannot at this time see any objection to it.

Mr. ROGERS of Florida. Many of the veterans have the bonds and cannot use them. If they could use the bonds, and the gentleman would not object to such an amendment that the bonds be used as part of the purchase price, I think it would be rendering the veterans a service.

Mr. WOLCOTT. Inasmuch as the properties are being purchased from the Government, and the payment to the Government of the bonds would be ostensibly for the purpose of cashing the bonds, offhand I cannot see any objection to that.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. LYLE. In the event that a veteran does not file promptly, what is the procedure?

Mr. WOLCOTT. It is held for the veterans on a graduated scale for 180 days. It is held 30 days for veteran occupants. On page 6 it is provided that a veteran and his family who occupy a dwelling unit in the dwelling to be sold is given 30 days priority. You must read the language on page 6 and the language at the top of page 8 together.

The second priority is for a veteran and his family who do not occupy a dwelling unit in the dwelling to be sold but who intend to occupy a dwelling unit in the dwelling to be sold, and they have up to 60 days in which to purchase. That is, a veteran who does not live in the unit has a second priority up to 60 days.

The third priority is for a nonveteran who occupies a dwelling unit in a dwelling to be sold. That is for the protection of the present tenant. After these first two veterans' priorities are exhausted, then a nonveteran tenant has a third priority, and he gets up to 90 days in which to buy the property.

Then, a group of veterans can get together, let us say, of four families, and buy a four-family unit; or two families can buy a two-family unit. They are given priorities.

Next, organizations or groups of veterans or an organization which is a legal agent of veterans who intend to occupy the properties after the other priorities are exhausted are given a further 90 days.

The total is 180 days on priorities altogether.

After that, anybody may come in and purchase the priorities.

I might say also in response to the gentleman from New York in reference to low-rent housing as a slum clearance project, we have removed the prohibition in the Lanham Act. The enactment of this bill will remove the prohibition in the Lanham Act against purchase of these properties by local housing authorities for low-rental purposes. So he is altogether wrong in his assumption that we prevent in any manner local housing authorities from buying these properties for slum clearance. But we do say the veterans are going to have first preference, and we should insist on that.

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. KEAN. A public housing authority will have no priority against the ordinary real-estate speculator in buying one of these properties?

Mr. WOLCOTT. No.

Mr. KEAN. They will have to go into the market and take a chance with everybody else?

Mr. WOLCOTT. They will have to take a chance with everybody else after the priorities have been exhausted.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. VORYS. I do not find anything here with reference to competitive bidding, or requiring it to be sold to the highest bidder. I wonder whether it would be the practice, in case of two veterans of equal priority, or two veterans' organizations with equal priority, or in case there were no veterans, to have some plan so that these properties would go to the best bidder.

Mr. WOLCOTT. The way it has been handled up to the present time, they draw for them, if everything was equal, but there were so very, very few cases in which they would be equal that we did not make provision for it. In the priorities up to the category of veterans' organizations there cannot be any conflict there, because there is either a veteran occupant of the project to be sold or a veteran nonoccupant. If you are a veteran and live in the property you want to buy that gives you the higher priority. If you are a veteran who does not live in the project, of course that is the second category. There is no conflict there. You are out of the project and, as opposed to a veteran who is living in the project, the veteran living in the project is given the higher priority. So that there is no conflict until you get to the fourth category, where we provide for the creation of the veterans' organization. That can be done by negotiated bid, with the proviso that the purchase price of the property shall not be less than the appraised value placed upon the property by the FHA appraisers or appraisers employed by them.

Mr. VORYS. I understood that the second priority would be a veteran and his family who did not live in the project, but who wanted to.

Mr. WOLCOTT. That is right.

Mr. VORYS. There might be a number of such veterans, and I have wondered whether the plan was to take up first come first served, or whether a fair way would not be to let them bid.

Mr. WOLCOTT. They may be all negotiated bids.

Mr. VORYS. What is a negotiated bid?

Mr. WOLCOTT. Well, it is the opposite of an open bid. You can negotiate with them for a price. You can get all the people together and say, "How much will you pay for it, Mr. A?" and he says, "\$5,000." "How much will you pay, Mr. C?" and he will say, "\$5,500." Or they can sit down with an individual and sell the properties at a negotiated price.

Mr. VORYS. Would the preference be between two veterans who came under class 2, who did not live there but wanted to? Would the preference be for the highest bidder or the one who came in first? It seems to me there should be some arrangement made.

Mr. WOLCOTT. It could be either way. You will not run into that very often. We should have in mind that, under the provisions of the bill these matters can be handled under regulations in respect to conditions of the sale, which the Administrator is authorized to promulgate.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. Wolcott] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself five additional minutes.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. MILLER of Connecticut. Would there be any preference in the case of a veteran who was occupying a multiple dwelling now and wanted to buy some other unit in that project?

Mr. WOLCOTT. Yes.

Mr. MILLER of Connecticut. He is not living in the project, but he wants to buy a single unit in that same project.

Mr. WOLCOTT. He would come within the second category of preferences.

Mr. MILLER of Connecticut. He would lose his first priority if he wanted to buy another house?

Mr. WOLCOTT. It is very obvious that in the administration of the act, if a man did not want to buy the particular accommodation he was living in, and wanted to buy another in the same project it would follow that he would be given a priority.

Mr. MILLER of Connecticut. He would be practically at the head of the list in No. 2?

Mr. WOLCOTT. Yes.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. JAVITS. Following through on the suggestion of the gentleman from New Jersey [Mr. Kean], would there be any objection to accepting an amendment which would provide preference to local governments and State governments, to come in between the veterans'

preferences and the time when this is thrown out to any bidder? Would there be any objection to giving the State and local governments a preference in there?

Mr. WOLCOTT. I do not think I would want to answer that offhand. I would want to see the amendment before I pass on that.

Mr. JAVITS. I will submit it to the gentleman.

Mr. WOLCOTT. I think the gentleman has such an amendment.

Mr. LYLE. Mr. Chairman, will the gentleman yield further?

Mr. WOLCOTT. I yield.

Mr. LYLE. Subparagraph (b) on page 4 provides for the sale of these houses at a price of not less than the reasonable value at the time of the offer for sale. It occurs to me this provision will make it prohibitive for the average veteran to purchase one of these units, because if they are valued upon the basis of other real estate in the same area they will be literally about three times what their actual value is.

Mr. WOLCOTT. That is just one of the factors in determining a reasonable value.

Mr. LYLE. The thing is that they are now probably three times as high as property was when they sold their property when they went in the Army.

Mr. WOLCOTT. No; I do not think these projects would be sold at any such valuation under these priorities to veterans. They should be able to buy these properties for much less than they could buy a house for now. They could buy one of these homes at a price comparable to what they sold their home for when they went into the service.

Mr. LYLE. I think that is probably the intention. My fear is that it will not work.

Mr. WOLCOTT. We went into that matter very carefully, and this is the language we thought was the fairest and which gave the most latitude to do the job that we thought ought to be done.

We have full faith and confidence in FHA to do the job we want done, and we have full faith and confidence in the present Administrator of the FHA to do a very sensible job in respect to the appraisals. I say that calling attention at the same time to the fact that he is not of my political faith; but I think that Ray Foley is one of the most honest, most conscientious, efficient, and outstanding administrators whom we have in Government service today.

Mr. LYLE. I agree with the gentleman there. The gentleman should stress the fact that it was the intention of his committee that the veterans get possession of these houses in some way so they would not have to pay prices two and three times their value, and not have to bid on them on the basis of today's market on real estate in the area.

Mr. WOLCOTT. It is not based on today's market. That is the reason why we are so general in this language and expect the FHA to take into consideration the value of this property over a long period of time with all the ups and downs in values that are to be expected will occur in the 25 years over which they are to be amortized. They do not take

it at a replacement value or at present market value.

It was our contention that FHA should take into consideration the fact that there might be a decline in the real estate market before the termination of the period within which the property was to be paid for.

Mr. LYLE. If the gentleman's committee does that they are rendering the veteran a great service.

Mr. WOLCOTT. That was our intention.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. FOLGER. I believe the committee adopted the word "reasonable" instead of "present market value" in view of the abnormal prices and knowing and having been told that the policy had been established by the appraisers to take into consideration the abnormal conditions that obtain now not to fix the price but to take consideration of conditions.

Mr. WOLCOTT. The gentleman is correct. The gentleman himself argued that that should be our intention and presented some language to carry out that intention. I am glad to have the gentleman make that contribution.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself one additional minute.

Mr. BECKWORTH. Could not the legal agent of a veteran or veterans make some kind of deal whereby the veteran could obtain housing? It occurs to me that many veterans probably are not able individually to arrange for these larger units or buildings that have several units in them. Is there any limitation as to how much the legal agent can make percentage-wise?

Mr. WOLCOTT. The veterans interested in a certain property would have to appoint their own agent. There could not be such a thing as a corporation which could claim to be the agent of all the veterans interested in the project. The law of agency would step in then and say that there was no contract between the principal and the agent. There must be a very definite contract.

Mr. BECKWORTH. The gentleman has no fear that so-called legal agents may be privileged to make a high percentage of profit?

Mr. WOLCOTT. No; the agent cannot act for the principal until he has been hired for that purpose. On these big projects, therefore, in order to effectuate a fraudulent deal in respect to the project, they would have to conspire with almost as many veterans in the locality as there were units in the project, which would seem impossible.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. SPENCE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, we are again confronted with that very perplexing problem—housing. The Lanham Act provided that these houses which we are providing for the disposition of and which were erected for an emergency

purpose be disposed of when the urgent need for them for the purposes for which they were constructed no longer existed. I am in favor of disposing of these properties, I am in favor of giving the veterans every priority and preference in the purchase of these houses, and I think it is very important that we sell these properties as soon as possible.

The housing situation is still acute in the United States and the housing situation is one of the most important things with which we have to deal, not only for the comfort and happiness of the people, but the home is the foundation of our society and the more good homes we have in America the more stable will be our institutions.

I do not think anybody is opposed to the sale of these properties. It is a question of how these properties shall be sold.

Since 1942 the Federal Public Housing Authority had control of these properties under the jurisdiction of the National Housing Agency, of which Mr. Foley is Chairman. They built the properties, they know where they are located, they know who occupies them, they know their worth. Now, why should we take the sale of these properties from the Federal Public Housing Agency and place it in the Federal Works Agency?

We are told that Mr. Myer has some peculiar ideas, that he does not conform to the wishes of the Congress. But are we going to make a pattern of government to meet the peculiar ideals and the peculiar wishes of individuals? It seems to me you cannot find a valid argument for such a course.

The Federal Public Housing Authority ought to have control of the sale of this property. General Fleming was not heard by the committee. But it is obvious that he has neither the organization nor personnel to carry out the purposes of this law. If it is transferred to the Federal Public Works, an organization would have to be perfected, personnel will have to be employed, all of which will take time. We put a time limit on the disposition of these properties. They must be sold by December 31, 1948. For the expeditious sale of these properties it is necessary to place them in an agency that is organized to sell them, that has the knowledge of them, and that can proceed immediately.

It seems that the only argument to take this power away from the Federal Public Housing Administration is the fact that some of the Members of Congress believe their views are contrary to the wishes of Congress and believe they will not carry out the purposes of the legislation. While we certainly ought not to change legislation to meet the varying views of the individuals, the way to meet that condition is to discharge the people who do not carry out the wishes of Congress. I express no opinion on this subject. I assume that the Federal Public Housing Authority will carry out the mandate of Congress.

The President on May 27 sent his housing reorganization plan to the Congress. The 60 days within which the Congress can act on that plan has not

expired. The passage of this act is congressional action upon that plan. That plan is not susceptible of amendment but this, in effect, amends it, and I think this act, if passed, like a lateral attack without hearing, will sabotage the President's housing plan. That plan was to organize and coordinate the various housing agencies to prevent overlapping and duplication of functions. Certainly, the President's plan deserves an independent investigation and an independent hearing, and by the adoption of this act as now drawn it takes away that right and authority of the Congress. I am sure the Congress does not want to sabotage a plan proposed by the President in that manner. The action is within the 60 days. It is an amendment to the plan. It changes the whole picture, something that was not contemplated by the President. It makes his plan now a nullity, and for that additional reason I ask you to vote down this amendment.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Colorado.

Mr. CARROLL. Do I understand from the gentleman's remarks that the President's reorganization program specifically includes the matter contained in this legislation?

Mr. SPENCE. No; it does not exactly include the matter, but it reorganizes the housing agencies of the Government. It does not delegate to the Federal Works Agency any authority over housing. The President presented a comprehensive plan for the reorganization of these agencies. We either have to adopt that plan in its entirety, without change, without amendment, or reject it. If this passes before that plan has been acted upon within the 60 days within which the Congress has the authority to act upon it, it changes the whole picture of housing.

Mr. CARROLL. In other words, this bill now is premature?

Mr. SPENCE. It is premature, unless you want to sabotage the plan presented by the President, without independent consideration directly of his plan. I do not think it would sabotage it at all if all of these authorities were placed back in the housing agencies, because he dealt only with the housing agencies, but here we take a substantial part of the housing jurisdiction and place it in the Federal Works Agency. It seems to me it is obvious that that nullifies the plan of the President.

Mr. CARROLL. I thank the gentleman.

Mr. TALLE. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, I do not pose as an authority on housing or many of the problems presented in this bill. I say at the outset that it is not my intention to attempt in any way to jeopardize the objectives of the committee in reporting this legislation. However, I requested this time to try to clarify a situation that is particularly important to me because of the fact I have in my district a housing project which has all but been disposed of. It has been in its final stages ever since the

first of the year. The people involved have put in a great deal of effort and time and in fact money to bring the matter to a head. I am very deeply concerned that unless some amendment or some provision is put into this bill to correct the situation all of their efforts will be of no avail. I do not think it is the intention of this Congress to jeopardize those cases where people have definitely proceeded under the assumption that the Government would do a certain thing and relying on the representations of the Government have expended money and changed their status.

I should like to propound this question by way of setting forth the circumstances that exist in the particular case in my district. The project I have in mind is the Custerdale project, called Wis.-47011. The project was built at the city of Manitowoc, Wis., in connection with the shipbuilding activities in that city. Probably many of you are acquainted with the submarines that were built on Lake Michigan, in the center of our country, during the war. You are acquainted with the great job that was done by the workmen there in producing these submarines. The people occupying these homes are those who worked in the shipyards in this city. They are good, honest, sincere, working Americans. When they found that this project was to be disposed of to somebody in some method, they inquired as to what could be done whereby they as individuals could purchase the property. It so happens that because of the zoning regulations and building codes of the city of Manitowoc the dwellings as they presently are could not be acquired by individuals. They have to be moved to new locations, so that the street planning conforms to the city plan, and so forth. I call attention to the text of a resolution adopted by the City Council of Manitowoc on December 16, 1946. This resolution shows some of the conditions that must be complied with before private ownership will comply with the laws and regulations of that community.

This resolution shows why it is necessary for them to organize and buy as a group rather than try to buy individually.

Whereas the United States of America, acting through the Federal Public Housing Authority, proposes to dispose of the housing property, including 400 family units, known as "Custerdale Project WIS-47011"; and

Whereas the city of Manitowoc is advised that under existing Federal statutes, regulations, and appropriation acts it will be necessary that the property be sold for its fair value as it now exists without improvement of structures or changes in locations of buildings or improvements; and

Whereas the building code, the planning and platting regulations, and the zoning ordinance of the city of Manitowoc require standards to which the Custerdale project does not now conform, and

Whereas sale of the Custerdale project to a mutual ownership corporation organized by occupants of the project and nonresident veterans is proposed: Now, therefore, be it

Resolved, That the city of Manitowoc approve a proposal to offer the project WIS-47011 to a mutual ownership corporation currently known as the Custerdale Home Owners Club, and that the city hereby waives its prior rights to acquire this project from the Government in favor of this corporation or group, but reserves its priority in the disposition of

the project if this sale is not consummated; be it further

Resolved, That in the event of a sale to the Custerdale Mutual Ownership Corp. the following, and no other minimum requirements be made with respect to the platting of the property and relocation of the houses, and with respect to improvements in the structures and minimum deed requirements.

1. That the Mutual Ownership Corp. will, within a period of 5 years, relocate the housing in the project according to the approved replat of the subdivision. However, this period of 5 years may be extended by the city of Manitowoc if general economic conditions prove this time period not feasible.

2. That inasmuch as the underground utilities are substandard, that the street layout does not conform with the adopted master plan or the planning and platting regulations of the city of Manitowoc, that the location of buildings, the yard areas, and so forth, do not meet the minimum requirements of the zoning ordinances; that strict compliance with these minimum standards must obtain within the time limit outlined in the above paragraph.

3. That in the relocation of these houses, all regulations of the building and plumbing code shall be followed. The two major items requiring correction at the time of relocation are:

(a) Lack of basements, or foundations to frost line.

(b) Lack of masonry chimney with flue linings.

4. That the articles of incorporation of the Mutual Ownership group shall be reviewed and approved by the city of Manitowoc before actual incorporation, and before the sale of the housing property by the Federal Government to the corporation is consummated.

5. That before the corporation shall convey said real estate by deed or contract the above minimum requirements must be fully complied with; be it further

Resolved, That after the approval of the articles of incorporation and before the actual sale of the project to the corporation, the city of Manitowoc shall approve the type of a deed or contract to be given by the Federal Government to the corporation to insure that the provisions of this resolution will be executed.

ED. KLUSMEYER.

Dated December 2, 1946.

Adopted December 16, 1946.

It certainly is apparent that these people cannot comply with the various regulations as long as they act individually. Under representation made by the Federal Public Housing Administration and in accordance with regulations set up by the agency, these people got together and worked out an arrangement whereby they would jointly take care of these obligations that the city imposed in order to live up to the building restrictions, and so forth, and they would buy them as a mutual ownership corporation or organization and then they, as individuals, could acquire individual ownership of the property. They hired counsel. They went to a great deal of trouble and work, and now everything is all set. They have been negotiating with the Government for over a year. Everything has been done except the fixing of the price. They have had appraisals by the local groups, and on the 1st of February they were all set for a Government appraiser to fix the price. Of course, since then everything has remained in the status quo in view of the request of the committee that the Housing Authority discontinue any further commitments.

That is the way the case stands today. Really, all that has to be done is to find the value of this property and determine whether or not the organization is then willing to purchase it at that price.

Mr. Chairman, I am afraid of what will happen, and I ask the chairman or some other member of the committee what will happen in the event of the enactment of this bill to the arrangements that these people have entered into and what will happen to the property, in view particularly of the fact that the property does not conform to the very definite building restrictions and, therefore, cannot be sold under any circumstances to individuals because individuals, as such, cannot buy the property in violation of these building code restrictions.

Mr. WOLCOTT. I may say to the gentleman that unless a firm commitment was made for the sale of the project previous to February 26, 1947, the project would come within the terms of this bill, and if the negotiations carried on up to the present time were contrary to the standards and priorities set up in the bill, they would have to be canceled. But in respect to the gentleman's project, I might call attention to the fact that I am informed there are 94 single dwelling units and 153 duplexes. So it should not be too difficult for the individuals to buy the properties. If the city or municipality has zoning ordinances that do not permit this type of project, before the project is sold, in any event it would have to be put in condition where they comply with the zoning ordinances or the zoning ordinances would have to be amended. In many instances we find that they have to rebuild some of these properties when they are sold at private sale to comply with local health regulations, and that would have to be done in this particular case.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WOLCOTT. Mr. Chairman, I yield two additional minutes to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. I hate at any time to burden the membership of the committee with any lengthy discussions on my part, but there are some 300 to 400 units involved here and these people are very definitely concerned. It is because of that that I wanted to get this straightened out to the best satisfaction of these people, and for their individual interests. There are more than 75 or 100. There are 400 units involved. One hundred of them will definitely have to be sold off the site. They have got to get rid of this. There is no question about that. However, there are 300 that will remain in the site. They have to be moved around in order to conform with street lay-outs, and so forth. You are not going to sell that to any individual, be he veteran or anybody else, except as you sell it to move it off of the property. Who is going to pay for it under those circumstances?

The only way this property can be sold to individuals at the present time is through the mutual-ownership organization that has been negotiating for the purchase.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. BYRNES] has again expired.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, this bill deals with a problem of great importance, not only to many individuals but to many communities. It is a subject that should be given very careful consideration by the whole Congress in accordance with the best advice available.

First, it should be remembered that responsibility for disposition of this housing was placed by the Congress in April 1942 with the National Housing Administrator. The law contemplated his delegating the operating task and the legislative history clearly revealed that delegation to the FPHA was expected—that being the logical agency from the standpoint of available field organization and previous engagement in related tasks.

The former administrators of the NHA made and continued the delegation, retaining general supervision of policy. Those matters were known to the previous Congress.

The present Administrator, Raymond M. Foley, after his appointment a few months ago, reviewed the situation, and concluded that conditions existent today were widely different from those recognized when existing laws were passed. He felt that the problems of veterans' preference, the housing shortage affecting veterans especially, the nature of some of the housing projects themselves, the growing interest in mutual and co-operative ownership associations, the inflation in housing prices—all created a situation in which there was room for differences of opinion in interpretation of existing law as to the intent of Congress on disposition matters. He held conferences with FPHA Commissioner Dillon Myer, as a result of which a request was made of the Appropriations and Banking and Currency Committees of the House for advice. Interim advice was given in a letter to Mr. Myer and the subject thus opened was made the topic of public hearings at which Mr. Foley and Mr. Myer both testified.

Mr. Foley made it very clear that he wished the further advice of Congress and that it was his earnest desire to be sure that the intent of Congress would be followed out. Mr. Foley is a man of long and successful experience in governmental administration. He gave every evidence of an active interest and desire to supervise the disposition operation in accordance with the desires of Congress.

It should be remembered that these hearings were all on the general problem of disposition, before a bill was drawn. It should be known to the House that there have never been any public hearings on the bill now before you. This bill, in spite of the importance of the subject, was referred to committee on one day and reported out the next. It bears within it the most conclusive evidence of hasty drafting and brief consideration.

It transfers from the National Housing Administrator to the Federal Works Administrator the entire matter of disposition and jurisdiction over 166,000 units of permanent war housing. I protest the proposed transfer as ill-considered, wasteful, and damaging to the public interest. The bill is ill-considered, because there was never any inquiry by the committee as to whether the Federal Works Agency is equipped in any way to handle the task. The committee neither sought nor received any advice or information from the Administrator from FWA. It was inspired solely, in that particular, by a determination to reduce the scope of activities of the FPHA.

The bill is wasteful—because the fact is that FWA has no organization, personnel, or equipment for the task and has not had since 1942. If this bill is passed, FWA will have to set up an organization largely duplicating that of NHA and FPHA because the latter agencies still will have responsibilities for management and disposition of a great deal of other housing all over the Nation.

The bill is contrary to the public interest because it will in its effect run exactly counter to aims long expressed in this and previous Congresses—economy, simplification, and elimination of overlapping and duplication in governmental operation.

But the evidence of hasty, ill-considered action is not confined to the transfer sections of the bill. If I were the administrator of any agency, I would protest being given the impossible task contemplated in this bill.

This bill imposes two iron-clad requirements on the Federal Works Administrator with respect to the permanent war housing transferred to him. First, he is required to sell all this housing for cash as expeditiously as possible but in any event not later than December 31, 1948. Second, he is required to sell this housing at a price not less than its reasonable value as determined by an appraisal made by the Federal Housing Administration.

There are no if's, and's, or but's about these two requirements. The Federal Works Administrator is ordered by this bill to obey both of them, even though they may well prove to be mutually contradictory. What is he to do if he cannot find cash buyers for any part of this housing at the price set by the FWA? The bill is completely silent on this point. It grants no exceptions and makes no allowance for administrative discretion.

Members of the House, how would you like this assignment? How would you like the responsibility for disposing of 160,000 housing units on this basis? You would have to have them appraised by another agency of Government. You would have to set the price at that appraisal figure. You could sell none of them for any less than that figure, but you would have to sell all of them for cash before December 31, 1948. And you would have to operate under a system of rigid holding periods for various preference categories of prospective purchasers. In the case of large projects, which will have to be sold as single entities, you

would have to give an ambiguously defined group of corporations, associations, or cooperative societies acting as legal agents for veterans 6 months' time to present an offer.

And how would you like the task, quite likely to arise in an effort to meet the dead-line date in this bill, of trying to get a lower price fixed by arguing with an appraiser that his figure of value was wrong because no one had appeared to buy at that price before a date arbitrarily fixed by Congress.

Yet this bill very wisely, I think, relies upon the Federal Housing Administration and its commissioner to make those appraisals—expressing the greatest confidence in them. And well it may. The Federal Housing Administration has won the confidence of the Congress and the Nation by its appraisal and mortgage-insurance practices.

It has not won that confidence by employing staffs who will obligingly change an appraisal figure to fit the fact that a sale is not made under it by a given date. Yet if the agency to whom this job is given is to carry out that job—assuming it were otherwise possible, which I doubt—it might be able to do so only by requiring that sort of subservience from FHA appraisers. It will be a sorry day for real estate, for lenders, borrowers, and the whole public if the Commissioner of FHA ever permits such an attitude with respect to appraisals by his agency.

But even this is not all. Congress has carefully recognized in the original laws on this subject that the Army, the Navy, and other governmental agencies may have real need for some of these housing projects and authorized the administrator to make transfers to them upon showing of such need. Where are they recognized in this bill?

And still further—the communities in which this housing was built have great and geographically varying interest in the manner and time of its disposition. Previous law recognized that. Where are they adequately recognized in this bill?

Members of the House, I have seldom seen a subject of such great importance dealt with so cavalierly, with such evidence of haste, such intemperance of handling as is demonstrated here.

I believe Administrator Foley was right in asking Congress for more specific definition of its desires in the face of new conditions. But neither do I doubt, if given such definitions, the Administrator in whom the majority report expresses such great confidence as the result of his work as FHA Commissioner will make an equally conscientious record in his new additional task as administrator in general supervision of this disposition job.

I have no doubt, on the other hand, that any administrator, no matter who he may be, would find himself confronted with an impossible task under this contradictory, wasteful, hastily concocted measure.

I agree that we need a new expression of congressional desires on many of the

new problems of disposition. I agree that the disposition in most cases should be expedited and that it can now be more speedy than it was or could be in the past. I support every possible, feasible preference for veterans in such instructions. I am in accord with cash transactions so far as possible.

But this bill is so badly conceived that to amend it into proper shape on the floor would be a very difficult task. Even after striking out the transfer provisions we would still confront a contradictory hodge-podge. I believe it should be re-committed.

States wherein Lanham permanents are located

Region I:	Number of projects, by States
Connecticut.....	38
Maine.....	7
Massachusetts.....	8
New Hampshire.....	3
Rhode Island.....	2
Vermont.....	2
Region II:	
Delaware.....	1
Maryland.....	14
New Jersey.....	8
New York.....	17
Pennsylvania.....	62
Region III:	
Illinois.....	18
Indiana.....	16
Iowa.....	4
Missouri.....	5
South Dakota.....	2
Wisconsin.....	2

Region IV:	Number of projects, by States
Alabama.....	22
Florida.....	14
Georgia.....	13
Mississippi.....	6
North Carolina.....	8
South Carolina.....	8
Tennessee.....	7
Virginia.....	16
Region V:	
Arkansas.....	9
Colorado.....	2
Kansas.....	6
Louisiana.....	7
New Mexico.....	2
Oklahoma.....	3
Texas.....	22
Region VI:	
Arizona.....	2
California.....	40
Nevada.....	2
Utah.....	4
Region VII:	
Alaska.....	4
Idaho.....	1
Oregon.....	13
Washington.....	26
Region VIII:	
Kentucky.....	3
Michigan.....	11
Ohio.....	23
West Virginia.....	3
District of Columbia only.....	17
Region general (includes Alexandria, Va., Arlington, Fairfax).....	7
Other outlying districts in Maryland.....	8

Projects requested by community for low-rent transfer, based on central office approval of Form 1279, as of Apr. 4, 1947

State	Project No.	Location	Project name	Number of units	Date of community request
Connecticut.....	6041	Waterbury.....	Hamilton Heights.....	178	June 10, 1946
Do.....	6031	New Britain.....	Hedgecrest.....	300	Jan. 4, 1947
Do.....	6032	do.....	Sunvale Manor.....	200	Do.....
Do.....	6061	Stratford.....	Stonybrook Gardens.....	400	Jan. 10, 1944
Do.....	6213	Waterbury.....	Warner Gardens.....	122	Dec. 27, 1947
Rhode Island.....	37013	Newport.....	Lonomy Hill.....	538	Jan. 9, 1947
Maryland.....	18095	Baltimore.....	Lyon Homes.....	304	Jan. 16, 1947
Do.....	18096	do.....	Fairfield Homes.....	300	Do.....
Do.....	18097	do.....	Brooklyn Homes.....	500	Do.....
Do.....	18098	do.....	Westport Homes.....	200	Do.....
New Jersey.....	28044	Camden.....	Chilton Terrace.....	200	Nov. 27, 1946
Do.....	28111	Phillipsbury.....	Heckman Terrace.....	250	Dec. 10, 1946
Do.....	28072	Newark.....	Bradley Court.....	301	Jan. 29, 1947
New York.....	30031	Buffalo.....	LaSalle Court.....	206	Dec. 16, 1946
Do.....	30032	do.....	Longfield Homes.....	694	Do.....
Do.....	30033	Buffalo-Lackawanna.....	Albright Court.....	200	Oct. 29, 1946
Do.....	30034	Buffalo-Niagara Falls.....	Griffin Manor.....	300	Dec. 14, 1946
Do.....	30039	Buffalo-Lackawanna.....	Rodgewood Homes.....	400	Oct. 29, 1946
Do.....	30042	Elmira.....	Hoffman Heights.....	144	Oct. 15, 1946
Do.....	30071	Buffalo-Niagara Falls.....	Griffin Manor.....	450	Dec. 14, 1946
Do.....	30078	Buffalo.....	Talbert Court and Carver Apartments.....	115	Dec. 16, 1946
Pennsylvania.....	36021	Erie.....	Franklin Terrace.....	500	Nov. 13, 1946
Do.....	36031	Williamsport.....	Penn Vale.....	250	Dec. 20, 1946
Do.....	36061	Elwood City.....	Walnut Ridge Homes.....	100	Nov. 27, 1946
Do.....	36101	Pittsburgh.....	Glen Hazel Heights.....	999	Dec. 5, 1946
Do.....	36041	Allentown-Bethlehem.....	South Terrace Homes.....	320	Nov. 13, 1946
Do.....	36042	do.....	Parkridge Homes.....	168	Do.....
Do.....	36044	do.....	do.....	12	Do.....
Do.....	36272	Coatesville.....	Brandywine Homes.....	150	Dec. 14, 1946
Do.....	36273	do.....	Carver Homes.....	100	Do.....
Indiana.....	12071	Fort Wayne.....	Miami Village.....	75	Dec. 27, 1946
Illinois.....	11081	Alton.....	Job Homes.....	150	Dec. 26, 1946
Do.....	11082	do.....	Job Homes Addition.....	200	Do.....
Do.....	11111	Rockford Township.....	Nocomo Heights.....	80	Jan. 3, 1947
Do.....	11112	Rockford.....	Central Ter.....	50	Do.....
Do.....	11113	Rockford Township.....	Victory Homes.....	200	Do.....
Alabama.....	1072	Childersburg, Sylacauga.....	Sylavon Ct.....	150	Dec. 27, 1946
Do.....	1061	Gadsden.....	Campbell Ct.....	150	Dec. 10, 1946
Do.....	1082	do.....	Starnes Park.....	100	Do.....
Florida.....	1076	Childersburg, Sylacauga.....	Sylavon Ct Extension.....	75	Dec. 27, 1946
Georgia.....	9011	Lakeland.....	West Lake Addition.....	60	Jan. 23, 1947
Do.....	9012	Augusta.....	Oglethorpe Homes.....	75	July 13, 1946
Do.....	9042	Savannah.....	Bartow Pl.....	150	Dec. 17, 1946
Do.....	9071	Albany.....	Bennes Homes.....	100	Dec. 6, 1947
Mississippi.....	22041	Meridian.....	Oakland Heights Village.....	100	Feb. 4, 1947
North Carolina.....	31023	Wilmington.....	Hillcrest.....	90	Dec. 17, 1946
Do.....	31024	do.....	Hillcrest Extension.....	126	Do.....
Do.....	31041	Charlotte.....	Jackson Homes.....	85	May 7, 1946

Projects requested by community for low-rent transfer, based on central office approval of Form 1279, as of Apr. 4, 1947—Continued

State	Project No.	Location	Project name	Number of units	Date of community request
South Carolina	38041	Spartanburg	Camp Croft Ct.	110	Dec. 17, 1946
Do.	38042	do	Spartanburg Defense Homes	10	Do.
Do.	38061	Charleston	Kiawah Homes	60	Aug. 23, 1946
Tennessee	40011	Nashville	Vine Hill	300	Dec. 16, 1946
Virginia	44074	Newport News	Oak Leaf Park	300	Dec. 27, 1946
Do.	44075	Norfolk-Portsmouth	Liberty Park	900	Do.
California	4121	Camp Roberts	Oak Park	150	Sept. 12, 1946
Do.	4031	Fresno	Funston Pl.	150	Oct. 17, 1946
Do.	4141	Taft	Victory Sq.	72	Do.
Do.	4161	Bakersfield	Kern Homes	85	Do.
Do.	4171	Richmond	Atchison Village	450	Oct. 8, 1946
Do.	4174	San Francisco	Atchison Village Annex	100	Feb. 11, 1947
Oregon	25021	Portland	Dekum Ct.	85	Apr. 10, 1946
Washington	45131	do	Kirkland Heights	300	Nov. 25, 1946
Do.	45132	do	Lake View Ter.	100	Do.
Do.	45133	do	White Center Heights	600	Do.
Do.	45032	do	Ranier Vista Homes	500	Dec. 23, 1946
Do.	45053	Seattle	High Point	700	Do.
Do.	45054	do	Holly Park	900	Do.
Do.	45055	do	High Point addition	250	Do.
Do.	45056	do	do	350	Do.
Do.	45121	Portland-Vancouver	McLaughlin Heights	503	Dec. 27, 1946
Ohio	33021	Cincinnati	Valley homes	350	Jan. 20, 1947
District of Columbia	49044	Washington D. C.	21st St. homes	36	Dec. 31, 1946
Total units				18,178	

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. O'TOOLE].

Mr. O'TOOLE. Mr. Chairman, in considering H. R. 3492, no one can escape the conviction that it materialized solely as the product of expediency. Legislative expediency—when it aims at doing the most good for the most people—can be an admirable thing. But expediency in this case has been dictated by the ulterior motives of the tightly organized real-estate lobby.

The bill in question would transfer all authority and responsibility for disposal of permanent war housing from the National Housing Agency—which has been handling the problem ably—to the Federal Work Agency, which has not been handling the problem at all. The justification for this move, apparently, is that Federal Works Agency would handle the disposal more efficiently and speedily. The logic in that argument is not questionable—because there is no logic in it at all. The situation is simple. You have on one hand the NHA, which has all the machinery and facilities for disposal of war housing. You have on the other hand the FWA, which, if it inherits the job, will be forced to consume time and money in a laborious investigation and development of staff and organization before it can venture into actual disposal. Where now, if FWA is saddled with disposal, is all the hue and cry for governmental economy? Economy, it would seem in this case, is a meaningless word indeed. Speed of disposal, by the same token, is an impossibility.

Consider this—and I personally find it an incredible abortion of logic. FWA was not once consulted by the committee to ascertain if it could handle disposal and, if so, how well and how quickly. That knowledge dovetails perfectly with another piece of information on the subject—that fact that the committee did not even discuss such a transfer until it was proposed by one Mr. Morton Bodfish. Well known for his shrewd lobby-

ing on behalf of real-estate interests, the ubiquitous Mr. Bodfish pops up with startling regularity whenever an opportunity arises to stab the housing program in the back. This, of course, was a golden opportunity, which Mr. Bodfish did not miss. Next to the last witness before the committee, he proposed the transfer. And I might add he was the only witness who did. The committee seized on the suggestion, with no open hearings, no investigation, no consultation with FWA. The next thing we knew the Bodfish brain-child was incorporated in the bill.

The Bodfish strategy in introducing the transfer is obvious. He, along with such sterling lobbying organizations as the National Association of Real Estate Boards, is intent on scuttling the National Housing Agency in order to scuttle the housing program. What better way is there to start this scuttling than to knock out FPHA, one of the constituent parts of NHA? You might compare it with tearing off a man's arm before you shoot him through the head.

Consider this. The lobbyists I mentioned previously put up a great hullabaloo about taking care of the veterans in disposing of this war housing. That is not only pure camouflage, it is sheer hokum. Of 540 permanent war housing projects, I am informed that—because of the make-up of the buildings, the presence of common utilities, and other pertinent criteria—more than 300 must be sold on a project basis. The bill gives first preference on these project sales to private corporations, associations, or cooperative societies acting as the legal agent of veterans who intend to occupy the housing. Since it would be utterly impossible, except in a few cases, to find any such organizations composed exclusively of veterans, this means that the projects would have to be sold to speculative buyers so as to beat the sales deadline established by the bill as December 31, 1948. That proviso amounts to an "open house" for the speculators

who follow the trail of the real estate lobbies like a flock of vultures waiting for the kill.

If that is not enough to illuminate this leaky legislation, you may take into account the fact that—according to the language of the bill—there exists a possibility that any private agency acting for two or more veterans could obtain sales preference. A dummy corporation, with a few veterans for a screen, could acquire large holdings by this device for speculative purposes.

Those are not the only damning facets of this bill. It calls, for example, for disposal on a cash basis, without exception. This would gravely handicap the efforts of many veterans to obtain the housing. Further—and this is another victory for the real estate lobbies—it would completely block communities from acquiring projects for use as low-rent housing. Desire for acquisition for this purpose, allowable under the Lanham Act, if specifically authorized by the Congress, has been signified by 47 local governments, who have formally requested that 72 projects comprising more than 18,000 units be reserved from sale until the Congress can be asked for permission to transfer them. Other communities are contemplating like action.

The conclusion, it seems to me, is inescapable. This bill, which should do its utmost to channel these homes into the hands of veterans and needy communities as quickly and efficiently as possible, will actually serve mainly to take care of profiteering speculators. Does anyone believe that these speculators will fail to shoot rents sky high on any projects they acquire as soon as rent controls terminate?

This bill is nothing but a farce to the veterans who are hardest hit by the housing shortage. If it passes it will no longer be a mere farce—it will be a full-fledged tragedy.

Mr. FLETCHER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FLETCHER. Mr. Chairman, the following action was taken by the San Diego Citizens' Housing Council at the monthly meeting of the executive committee, Tuesday, May 20, 1947:

1. Whereas there are approximately 2,000 nonveteran families now living in saleable housing units in San Diego; and
2. Whereas 8,000 veterans are now on the official waiting list for Federal Public Housing units representing an emergency need; and
3. Whereas the provisions of the proposed revision of the Lanham Act would cause the eviction of 2,000 San Diego nonveteran families now residing in housing projects; and
4. Whereas these 2,000 nonveteran families would be replaced by 2,000 veteran families; and
5. Whereas 6,000 veteran applicants for housing units would still be without adequate housing; and

6. Whereas it is apparent that this is the only housing bill that will be acted on by this Congress: Therefore be it

Resolved, That it is the feeling of the San Diego Citizens' Housing Council (1) that the passage of the suggested revision of the Lanham Act would aggravate the housing situation in San Diego; (2) that a mere change of occupants is not solving San Diego's housing problem; and (3) that adequate housing in San Diego cannot be hoped for until a housing program is formulated which, when in operation, will actually increase housing facilities.

BEN HADDOCK, Jr.,
President.

The following petition was received from the Azure Vista Civic Council, William A. Emerson, chairman, 4429 Marcellus Street, San Diego, Calif.:

We the undersigned nonveteran occupants of Azure Vista, FHA housing project in San Diego, under the priority system of the proposed revision of the Lanham Act, will be evicted by the veteran purchasers. We protest the injustice of this discriminatory legislation which forces us American citizens to sacrifice our homes. We demand that restoration to the present occupants, non-veterans or veterans, of the right to purchase our homes before any other groups. We are joined in this protest by many veteran occupants of Azure Vista.

This petition was signed by 270 persons representing a total of approximately 1,050 individuals. Of the 270 persons signing the petition, 59 are veterans.

The Bayview Terrace Citizens Council, San Diego, Calif., has sent me the following telegram:

We urge revision of present housing disposal bill as follows: first priority, occupants as of December 1948; second priority, non-occupants veterans; third priority, nonoccupants civilians. Failure to revise bill will displace over two thousand persons in this project alone and will promote high percentage of speculation by nonoccupant buyers at expense of occupants.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Chairman, while the able chairman of the committee was discussing this bill the thought occurred to me that this would be a good place to do something for the veterans, as he said they wanted to do and as they have provided in this bill. I repeat what he said, that the only thing the veterans have gotten so far is priority. That is all they have gotten in anything I have seen. They have gotten priority, all right, but when it comes to getting the execution of that priority there is nothing doing.

I was glad that the fine chairman of this committee said he could see no objection to the proposal I made when I asked him how some of these veterans that have no money could get the benefit of this act, and asked if he would object to an amendment that would provide that the veteran who held a terminal-leave pay bond, which is useless to him at the present time since he cannot use it for 5 years, could make use of that bond in making the down payment on some of this housing. I was glad to see that the gentleman from Michigan said that he had no objection to it,

because I believe it is his intention and he wants to take care of the veteran, and he has shown that since he has been here.

I intend to offer this amendment:

On page 4, line 3, after "1948", strike out the period and insert a semicolon and the following: "Provided, That any veteran holding a terminal-leave bond shall be permitted to use said bond as a cash payment on the purchase price of any dwelling in the war-housing project purchased by said veteran, and said Administrator is authorized and directed to accept said terminal-leave bond as cash payment at its full face value plus all accrued interest."

I am sure that that cannot be obnoxious or objectionable to any Member of this House. It merely permits the veteran who has no money but who has a bond to use it as part of the purchase price on one of these dwellings, if he needs to. There is a precedent for this. At the present time you can use the bonds to pay on the national life insurance. If they can be used in that case, why should there be a distinction here? I cannot see why there can be any objection to this amendment which I am going to offer at the proper time when the bill is read for amendment.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. MILLER of Nebraska. Since there is a lack of legislation permitting all veterans to use their bonds or cash their terminal leave bonds, would not that be a discrimination against those who are not fortunate enough to buy a house on which they might apply their bonds as a payment? We lack legislation enabling all veterans to use their terminal leave bonds except for life insurance. If you make it apply just to Federal housing, what about the veteran who does not get a house and who cannot use his bonds? Would not that be a discrimination against him?

Mr. ROGERS of Florida. I am depending upon the wisdom of this House to report out my bill which would permit every one of these bonds to be negotiated or which would permit the veteran to file an application with the Treasury Department and get the cash. I am hoping that the majority side of the House will agree with the minority side and bring that bill out.

Mr. MILLER of Nebraska. Yes, but in the absence of your legislation, would not that be a discrimination against the other veterans?

Mr. ROGERS of Florida. Not at all, not at all.

Mr. MILLER of Nebraska. It certainly would.

Mr. ROGERS of Florida. It simply permits the use of these bonds. The houses belong to the Government. The Government owes the money. It would just be taking money out of one pocket and putting it into the other.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. SPRINGER. As I understand, these bonds can be used at this time only for the purpose of applying on the payment of insurance. The gentleman proposes to offer an amendment, according to which the veterans can use their bonds

to apply on the payment of property which they might want to purchase.

Mr. ROGERS of Florida. That is right.

Mr. SPRINGER. That is, the bond may be negotiated for that particular purpose?

Mr. ROGERS of Florida. It may be negotiated for that particular purpose. They can come in and make a first payment in the purchase of these houses.

Mr. SPRINGER. And that would then permit those who want to purchase a house to cash their bonds or receive the value of the bond in the purchase price of the property?

Mr. ROGERS of Florida. Yes, they would be able to use the bonds in the purchase price of the property. That is correct.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, I am rather disappointed that there does not seem to be as much interest in this measure as its importance warrants. I think there would be a good many more objections voiced on the floor of the House during the committee consideration of the bill this afternoon if the membership generally knew just how impracticable and how unworkable this bill is in its present form.

I have always looked to the Committee on Banking and Currency to bring out legislation which is well considered and well drafted and practicable in its application. But this, I think, will sort of damage the reputation that that committee has established in past years.

I have here some communications from quite conservative people who condemn this legislation in its present form very viciously. They claim it will give speculators a grand opportunity to take advantage of the Government to the detriment of the veterans. They claim that it can very easily be seen to have been drawn just from the suggestions made by real estate lobbyists. These communications are from people who usually do not communicate with the Congress. They are from public agencies, agencies of municipalities and of cities that have had something to do with the management of these properties for several years. They know what they are talking about. This measure goes directly contrary to the practical experience of those people who have done such a fine job in handling these properties, without loss to the Government and without loss to the local municipalities. Not to allow the municipalities and the agencies which managed these properties for so many years an opportunity to purchase them at fair and reasonable terms, is, I think, an unpardonable mistake. I think the Congress of the United States ought to be very particular in the disposition of these properties. This bill certainly is not fair in that respect. I think it is inexcusably deficient in not giving a positive and certain priority that is workable to the veterans of this country. As was well said by the preceding speaker, we give veterans a priority and it does not mean a thing, because all he gets is a priority which in fact means nothing but

a certificate, which gives him no benefit whatsoever. Whenever you say that these projects must be disposed of by a certain date, by an agency that has never had any experience in handling housing, I cannot realize how the committee could come to such a conclusion. To take away the responsibility from an agency that knows the subject and has been having surveys and investigations and studies made for a year or so with respect to the disposition of this property—to take the responsibility from that agency and give it to a different agency that has never had any experience is unpardonable and raises an objection to the bill which, if not corrected by amendment, should be defeated.

Mr. Chairman, we have the possibility of improving the measure this afternoon by offering amendments. Generally speaking I do not like to rely on another body to correct mistakes made in the House. I take pride in this side of the legislative body. I like to think that we turn out legislation that does not need any correction. If this legislation goes out of this House this afternoon in its present form, I hope that some improvement will be made on the other side of the Capitol. We are going to waste all the experience that the housing agencies of this Government have obtained by turning this responsibility for the disposition of these buildings over to an agency that does not want it, in my opinion, and that has had no experience, with a resulting loss to the Government and plenty of confusion. I predict that before December 31, 1948, the disposition of these housing units will be again before this House, because this measure will have been found to be totally unworkable and impracticable.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. EBERHARTER] has expired.

Mr. SPENCE. Mr. Chairman, I yield such time as she may desire to the gentleman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS. Mr. Chairman, H. R. 3492 is not a good bill. It is not an answer to the veteran's desperate need for housing. The Republican leadership in this Congress talks a lot about the American way of life, but it does little to defend it.

In the disposal of permanent war housing the Republican leadership had an opportunity to make permanent homes available at reasonable prices to the individual veteran and nonveteran. This bill as written does no such thing despite Republican speech to the contrary. H. R. 3492 will permit a private corporation composed of a few veterans the right to purchase a huge housing development, including many hundreds of individual units as a speculative investment.

It would require that all permanent war housing be sold for cash and not later than December 31, 1948.

When on top of this the bill turns over the disposition of war housing to the Federal Works Administration which is not equipped to undertake this work, you have clearly a mess, a mess that will play into the hands of the real-estate lobbies, but will not work out to the ben-

efit of the families of young veterans and low-income groups.

This bill is quite in line with the phony rent-control bill this house passed and with the heartbreaking injury inflicted yesterday on Federal Public Housing, FHA, and Federal Home Loan Administration in the appropriation bill for special agencies.

This Congress, I am sorry to say, shows little concern with the needs of the common people.

I include now an analysis of H. R. 3492:

ANALYSIS OF H. R. 3492

The permanent war housing which is the subject of H. R. 3492 is now under jurisdiction of the National Housing Administrator and has been since early in 1942. With the knowledge of the Congress, the Administrator has delegated from time to time many of his responsibilities for the detailed administration of this housing to the Federal Public Housing Authority. The Administrator, however, retains general supervision.

The policies which now govern disposition of this housing were developed by NHA and FPHA under the provisions of the Lanham Act and have been periodically explained and discussed before a number of Congressional committees. Early in the present session of the Congress, both the National Housing Administrator and the Commissioner of the FPHA sought the advice and guidance of the Banking and Currency Committee of the House of Representatives regarding these disposition policies.

The bill has five major provisions:

1. It would transfer responsibility for permanent war housing built under the Lanham Act from the National Housing Administrator (who has delegated the operations to the Federal Public Housing Authority, subject to his supervision) to the Federal Works Administrator.

2. It would require that all permanent war housing be sold for cash and not later than December 31, 1948.

3. It would make the Federal Housing Administration responsible for appraising the reasonable value of the permanent war housing at the time of sale and would prohibit the FWA from selling at a price lower than this appraisal.

4. It would establish a specific system of preferences governing disposition of the permanent war housing.

5. It would amend title VI of the National Housing Act so as to permit the Federal Housing Administration to insure mortgages on Lanham Act properties up to 90 percent of their appraised reasonable value.

The first of these provisions is quite obviously distinct from the other four. The policies governing disposition could be changed without transferring responsibility, or responsibility for disposition could be transferred without changing the policies.

In addition to these five explicit provisions, the bill would apparently do two other things which are not specifically stated. First, it would seem to eliminate the provision now contained in the Lanham Act permitting the transfer of permanent projects to the War and Navy Departments. Secondly, it would appear to contemplate the elimination of the present provisions of the Lanham Act authorizing the transfer of these projects to local housing authorities for low-rent use with the specific approval of the Congress.

MAJOR CONSEQUENCES OF THE BILL

If the bill should be enacted in its present form, it would have the following consequences:

- A. It would disrupt a carefully planned program for disposition of the permanent war housing which is now going forward on the basis of 2 years of intensive study and lengthy consultations with key officials

in hundreds of local communities. These consultations were necessary in the public interest because of many community problems—deviations from local building codes, relationships to over-all community plans, effect of disposition on the local real estate market, and other similar considerations. They have now been completed in 234 communities, covering 308 permanent projects. In place of this carefully planned program H. R. 3492 would require that all of the 540 permanent housing projects must be disposed of by December 31, 1948. It thus creates a real and serious danger that the housing would have to be disposed of in great haste with insufficient regard for local plans or real-estate values or for community wishes and recommendations.

- B. The bill would result in a wastage of all the experience which the NHA has gained over the past 5 years in connection with this housing and transfer responsibility to another agency which has almost no familiarity with it.

It would also cast aside a large part of the preparatory work which NHA has accomplished over the past 2 years looking toward the disposition of these permanent projects. The FWA would have a great deal to learn about these properties and almost no time in which to learn the facts.

- C. By preventing the transfer of permanent war housing to local communities for use in housing low-income families, the bill would disappoint a great many local plans and expectations. Under the Lanham Act such transfers are permitted if the Congress approves. In reliance on this provision of the act, 47 cities have registered official requests covering the proposed transfer of 72 projects. H. R. 3492 makes no provision for submitting these requests to the Congress.

- D. By splitting off the permanent Lanham Act projects from other housing under jurisdiction of the National Housing Agency, H. R. 3492 would take the Government back to the chaotic conditions that prevailed before consolidation of Federal housing activities under NHA in February 1942. Approximately 60 percent of the permanent Lanham projects are being managed under leasing arrangements by local housing authorities. Most of these authorities are also managing other types of housing which would be left under NHA's general supervision by the provisions of H. R. 3492. In a considerable number of cases, the housing transferred to FWA and the housing remaining under NHA are located on the same site and even use a common utility system. The inevitable result of the transfer would be a tremendous complication of management relationships and a large amount of administrative duplication and overlapping. Instead of dealing with one set of Federal officials on all types of Lanham Act housing, as at present, the local agencies and others concerned would henceforth be required to deal with two.

- E. Because of the tight disposition deadline that would be established and the cash payment that would have to be made for purchase of some of the larger projects, the bill would make it extremely difficult for veterans and other occupants or prospective occupants to organize mutual ownership corporations (cooperative societies) for group purchase of the projects. In many cases it has proved unfeasible for a variety of reasons to subdivide the Lanham Act projects for sale of the individual buildings. Where this is the situation, the National Housing Agency has considered the possibility of selling to mutual ownership corporations as the most practicable way of encouraging home ownership. The Congress will doubtless want to consider whether it wishes to encourage home ownership through this particular device. In this connection, it should be remembered that some of the veterans' organizations have strongly recommended the sale of many of these projects to mutual ownership corporations.

F. Although the bill is apparently intended to give top preference to veterans for purchase of the permanent war housing, would it not actually complicate the problem of purchase for a great many home-seeking veterans and perhaps work directly against their interests? The bill sets up a dual system of preferences. In cases where the projects can be subdivided for sale of the individual buildings, all buildings containing less than five apartments are to be disposed of to purchasers in the following order of priority:

(1) Occupants who are veterans; (2) prospective occupants who are veterans; and (3) occupants who are nonveterans. In the disposition of projects which cannot be subdivided and of buildings which contain more than four apartments, however, the only preference that is given is to a "private corporation, association, or cooperative society which is the legal agent of veterans who intend to occupy the war housing" to be purchased. This language is subject to two interpretations. It may mean that the corporation or society purchasing the housing must be composed exclusively of veterans. In that case, the provision may be a serious handicap since experience indicates that it is extremely difficult to organize a group composed entirely of veterans for the purchase and operation of the larger war-housing projects. Experience also indicates that some of the veterans' organizations will want the opportunity to accept nonveterans as members. On the other hand, the language of the bill may mean that any organization which has itself appointed as the "legal agent" for a handful of veterans "intending to occupy" is fully qualified to exercise top priority for purchase of a 1,000-unit or even a 2,000-unit project. In that event, the bill would have the effect of freezing out the individual veterans.

G. The time schedule established for disposition of the properties is actually much tighter than might at first appear. At least a few months, at the very minimum, will have to be allowed for working out the somewhat complicated features of the transfer and for FWA to acquire even an elementary familiarity with the properties. On top of this, many of the projects will have to be held for periods ranging up to 180 days before the priorities have expired; new appraisals will have to be made; and community consultations will have to be conducted all over again by the Federal Works Agency. Finally, FWA will have to make some allowance for disposing of those projects—and there probably will be many of them—which cannot be sold to the priority holders. Administrative prudence would seem to require at least 2 months to be reserved for this purpose at the end of 1948. As a result of all these deductions, the time schedule established by the bill becomes almost completely unworkable.

H. The bill sets up two inflexible requirements that would severely handicap the agency handling disposition: (1) the requirement that all sales must be completed before December 31, 1948, and (2) the requirement that none of the housing may be sold for less than its appraised value. These two requirements together permit the disposal agency almost no discretion whatever in sales of the properties. Regardless of what the bill may say, it may well develop that the market simply will not absorb these properties at the appraised values within the time limit established.

OTHER COMMENTS OF THE BILL

The provision permitting the Federal Housing Administration to insure mortgages up to 90 percent of the appraised value of Lanham Act properties is highly desirable and should be enacted.

As already indicated, the section of the bill providing for veterans' preference is ambig-

uous and may well produce serious complications. A better way of accomplishing this objective would be to provide simply that individual buildings or dwellings may be sold to purchasers in the following order of priorities: (1) veteran occupants, (2) veteran prospective occupants, (3) nonveteran occupants, and (4) nonveteran prospective occupants. In sales to groups, preference could be given to groups made up of individuals in the above mentioned four categories.

Mr. SPENCE. Mr. Chairman, I have no further requests for time.

Mr. WOLCOTT. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "War Housing Disposal Act of 1947."

DEFINITIONS

SEC. 2. For the purposes of this act—

(1) The term "Administrator" means the Federal Works Administrator.

(2) The term "Lanham War Housing Act" means the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended.

(3) The term "war housing" means any interest, owned by the United States and under the control of the National Housing Agency, in (A) housing (other than temporary housing) acquired or constructed under the Lanham War Housing Act, under the Second Supplemental National Defense Appropriation Act, 1941 (Public Law 781, 76th Cong.), as amended, under the Urgent Deficiency Appropriation Act, 1941 (Public Law 9, 77th Cong.), or under the Second Deficiency Appropriation Act, 1944 (Public Law 375, 78th Cong.), and (B) such other property as is determined by the Administrator to be essential to the use of such housing.

(4) The term "veteran" means (A) any person in the active military or naval service of the United States during the present war, or (B) any person who served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to the termination of the present war, and who has been discharged or released therefrom under conditions other than dishonorable after active service of 90 days or more or by reason of an injury or disability incurred in service in line of duty.

(5) The term "dwelling" means a war housing building designed for residential use of one or more families.

(6) The term "dwelling unit" means a dwelling, or that part of a dwelling, which is designed for residential use of one family.

Mr. SPENCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE:

Page 1, lines 7 and 8, strike out the words "Federal Works Administrator" and insert in lieu thereof the words "National Housing Administrator."

Page 3, in lines 6 through 21, strike out the words "Transfer of War Housing to Federal Works Administration" and all of Section 3 and renumber the succeeding sections and references and cross-references thereto.

Page 3, in line 24, and page 4, in line 1, strike out the words "transferred to the Administrator by Section 3" and insert in lieu thereof the words "under the jurisdiction of the Administrator."

Mr. SPENCE. Mr. Chairman, this amendment would take from the Public Works Agency the authority given it under the act and place it in the Federal

Public Housing Administration, under the National Housing Agency.

In the hearings General Fleming, the Federal Works Administrator, did not testify. There is not a word of testimony in the record that the Federal Works Administration is equipped or qualified to carry out the mandate of this legislation. Not since 1942 has the Federal Works Agency had anything to do with this housing we are attempting to dispose of. It has been in the Federal Public Housing Agency and it was built by the Federal Public Housing Agency, and they have a personnel and an organization that could handle this matter immediately. We say that expedition is what we are seeking. Certainly, it would mean interminable delay to place this power and this authority in an agency which is in no way connected with the building and maintenance of these properties.

There is an incongruity also in this matter, it seems to me. In the interest of scientific legislation it should be placed in the Housing Administration. The Federal Housing Administration appraises this property and the Federal Works Administration which has no connection at all with the Federal Housing Agency has the disposal of it. In addition, I wish to repeat—and I think I am perfectly sound in my conclusions—that if you grant this power to the Federal Works Agency you sabotage the reorganization plan that the President submitted to Congress on May 27. The Congress has 60 legislative days within which we can act upon that plan. The plan is not susceptible to amendment but we in substance amend it, we nullify it by collateral action. The President probably would have presented an entirely different plan if the Federal Works Administration had at that time the jurisdiction delegated in this bill.

It seems obvious that this transfer is a mistake. It was brought about by a prejudice against the agency. Legislation based upon prejudice is never good legislation. Legislation that is based on the hypothesis that the agency will not carry out the mandate of Congress is certainly not scientific legislation. There is another way to approach that contingency.

Mr. Chairman, I hope that free from partisanship and free from prejudice the Members will give this amendment their careful consideration. We want to expedite this matter. It is essential that these houses shall get in the hands of the people who want to purchase them at the earliest possible date, and the way to effectuate that purpose is to give the agency that has control over them now, that has the personnel and the organization to do the job, the authority and the direction to do it.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. MACKINNON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Fifty-seven Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 78]

Barrett	Gallagher	O'Hara
Bell	Gamble	Patman
Bishop	Gifford	Pfeifer
Bland	Granger	Philbin
Bloom	Grant, Ind.	Ploeser
Buckley	Hall	Powell
Bulwinkle	Leonard W.	Price, Fla.
Busbey	Hartley	Rayfield
Byrne, N. Y.	Heffernan	Riley
Case, S. Dak.	Hess	Rizley
Celler	Hill	Robertson
Clark	Hinshaw	Sarbacher
Clements	Hull	Scott, Hardie
Cleenger	Kearney	Scott
Clippinger	Kearns	Hugh D. Jr.
Cole, Kans.	Kefauver	Seely-Brown
Cole, N. Y.	Kelley	Shafer
Combs	Kennedy	Sheppard
Courtney	Keogh	Simpson, Pa.
Cox	Landis	Smith, Ohio
Crawford	LeFevre	Stockman
Dingell	Lesinski	Stratton
Dirksen	McGarvey	Taylor
Domengeaux	Macy	Thomason
Eaton	Mansfield, Tex.	Towe
Feighan	Martin, Iowa	Vinson
Fellows	Meade, Ky.	Wadsworth
Fisher	Morrow	Welch
Flannagan	Morrison	Winstead
Fletcher	Nodar	Wolverton
Fogarty	Norrell	Zimmerman
Fuller	Norton	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BENDER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3492) to provide for the expeditious disposition of certain war housing, and for other purposes, and finding itself without a quorum, he had directed the roll to be called, when 335 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Michigan [Mr. Wolcott] is recognized in opposition to the amendment.

Mr. WOLCOTT. Mr. Chairman, it has been explained that the functions and the powers of the National Housing Administrator with respect to the Lanham permanent projects will be transferred under the provisions of this bill to the Federal Works Administrator, which, of course, virtually means that the functions and powers now being exercised by the Federal Public Housing Authority will be transferred to the Federal Works Administrator. We are not transferring these powers to an agency which is not fully acquainted with these housing problems. These projects were originally in the Federal Works Agency and were transferred from that Agency to the Federal Public Housing Authority. We are merely transferring them back to where they came from.

It has been suggested that jurisdiction over the disposition of these properties must stay in the Federal Public Housing Authority because they have had more experience than the Federal Works Agency in the disposition of them. I merely bring out the fact that the Federal Works Agency originally had jurisdiction over these projects or many of them in order to show that they have had experience in this line and, further, may I call attention to the fact that up

to the present time—and the war has been over for almost 2 years, that is hostilities ceased almost 2 years ago—and during these 2 years, although the Federal Public Housing Authority had an express mandate from the Congress to dispose of these properties, the total disposals up to April 11, 1947, amounted to only 45 projects involving 10,167 housing units. Of these 45 only 29 projects containing 6,867 dwelling units represented actual sales. The balance of 16 projects containing 3,330 dwelling units were transfers from the Federal Public Housing Authority to the War and Navy Departments. So that there have been only 29 projects containing 6,867 dwelling units actually sold.

What happened to the rest of them? A great many are being reserved for transfer to communities for low-rental purposes. I want to read just a short paragraph from the report in that respect:

Despite the provisions of the Lanham Act prohibiting the transfer of any of these properties to communities for subsidized housing use, unless approval of Congress is obtained, the FPFA has already reserved for sale for possible transfer to communities or local housing authorities for low-rent use, almost three times as many dwelling units as they actually sold.

The FPFA—we will have to be very realistic about this situation—up to the present time has been very public housing minded.

In providing for the transfer of the functions and powers of FPFA, with respect to Lanham permanent projects, to the Federal Works Administrator, the committee is of the opinion the latter agency is more sympathetic with our policies, and the disposal program is more likely to be administered in keeping with the expressed intent of Congress. The amendment should be defeated.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. FOLGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to address myself generally to the bill. Being a member of the Committee on Banking and Currency I had some opportunity to observe with what particularity this matter has been considered, and I cannot agree with the statement or the imputation or insinuation that it has been a half considered matter.

Following the resolution which was adopted on the 26th of February, at which time the disposal of Lanham housing was interrupted, the committee did have hearings and rather extensive hearings upon the subject of the proper disposal of these permanent Lanham houses. I think the great objective, besides properly preserving the Government's rights and its interest in the matter, was to make sure to provide for veterans an opportunity to secure homes either by purchase of individual units or by associations or otherwise purchasing housing as they found it for the collective occupancy of many veterans. I believe that has been done. If you will read the preferences provided for in the bill I think you will see that very minute attention has been paid to accomplishing that which we all desire. I will not go over the preferences as they are written here,

but I do suggest for your consideration that they are well conceived. I have, however, only two question marks in my mind with respect to the sufficiency and the wisdom of the bill's provisions.

No. 1, I may name it, is the transfer of the disposal authority from the National Housing Administration to the Federal Works Administration. Not since 1942 has the Federal Works Administration known what went on with respect to the construction or the disposal of houses that were erected either in single units or in multiple units under the Lanham Act. They therefore have no machinery by which they might go to work, and time is of the essence when you contemplate the fact that these houses must all be disposed of on or before December 1948, and that is not so long away.

I believe that governmentally, administratively, and logically, the authority and the responsibility for the disposal of these houses should remain in the National Housing Administration. It is true that that would contemplate appraisals by the Federal Housing Administration, and of course they are controlled by the provisions in this bill as to those appraisals, which seem to me to be well conceived and well ordered, so that the Federal Housing Administration must do the appraising, to which nobody offers an objection. The Federal Public Housing Authority is already engaged in it, but having been interrupted by the resolution, and I think properly so, are acquainted with every bit of property that would come under the purview of this act. I believe that ought to remain where it is, and that the amendment offered by the gentleman from Kentucky ought to prevail.

Mr. COUDERT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had the benefit of hearing the remarks of the distinguished chairman of the Committee on Banking and Currency when this question first came to the floor a couple of hours ago. I have since examined the report and the bill. It seems to me this is a very simple question, that we ought not to have a great deal of difficulty with. Certainly it presents no difficulty to any member of the Subcommittee on Appropriations for Government Corporations. The members of that committee had the interesting and enlightening experience of having before them for several long, hot days in the subbasement of this Capitol a group of representatives of FPFA. Having had its records before us as well as the administrative history of that agency, we can have very little doubt as to the wisdom and necessity of this bill. It is perfectly apparent on the record, as the distinguished gentleman from Michigan pointed out, that this agency has completely failed, for whatever reason is unimportant, to carry out the intention of the Congress, which was to dispose of this housing rapidly so that it might be put to the best possible use. In view of such failure, it is certainly proper to transfer that duty to another agency that is more capable, and will be more likely to carry out the congressional purpose. The FPFA has indicated such a degree of incompetence and has presented to our subcommittee such

a picture of confusion worse confounded that it is not surprising that the housing has not been moving as intended. I think Congress has shown patience in not acting sooner. I think this amendment should be defeated and the bill should be passed.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JENSEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, last year the Subcommittee on Appropriations having jurisdiction of Government Corporations by unanimous request caused an investigation to be made of all the Federal Housing projects under FPHA, and a report was submitted to the committee early this year:

The report is the result of a 6 months' investigation headed by Robert E. Lee, who was loaned to the committee by the Federal Bureau of Investigation.

High-lighting the report's conclusions was the startling fact that more than 31 percent of all tenants of public housing were totally ineligible for such public assistance, yet the FPHA had taken virtually no action to rectify this situation.

The FPHA also failed to dispose of wartime housing and has instead inaugurated a socialized scheme of disposition to mutual organizations which completely ignore any veterans' preference, unless the veteran was already an occupant, according to the report. As the result of these findings, it was necessary for the Banking and Currency Committee of the House to bring out legislation which has already been introduced and about to come to the floor, which will give the veterans preference for purchase as well as rental.

In addition the FPHA has adopted a policy providing that local authorities build up unreasonable cash reserves at the expense of the Federal subsidy for alleged vacancy and collection losses and other contingencies that may or may not materialize. This amount approximates \$40,000,000.

Under the United States Housing Act, for every dwelling unit built there should be one slum dwelling unit eliminated. This has been almost completely ignored, and the slums have continued to develop and grow, the report says.

In the face of the terrific housing shortage in the United States, 8,110 new prefabricated housing units were sold to France by the FPHA. This was early in January 1946, just at a time when veterans were returning by the millions and were desperately in need of houses.

Storerooms of FPHA were found to be replete with propaganda material to influence passage of public housing legislation. This despite the fact that section 201 of title 18, United States Code, specifically provides criminal penalties for the use of appropriated funds to influence legislation.

The FPHA records were in such "atrocious condition" that a nationally known accounting firm (Price, Waterhouse & Co.) were retained by the General Accounting Office to make an audit, declined to do so after inspecting the books on the ground that the fiscal facts could not be ascertained from their records. One of the FPHA auditors, in describing the condition of the records, said:

"A great many deficiencies existed in accounts for all programs which were not being corrected because of improper staffing. Postings for current fiscal year have been very

incomplete, and in many instances are so inadequate that the accounts failed to convey proper meaning * * * the lack of adequate fund controls has been the cause of a large number of errors and is, in the opinion of the auditors, responsible for the lack of internal control of rental-office fiscal activity.

If every Member of the House could read this full report, the bill now being considered would be unanimously adopted as written by the Banking and Currency Committee.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. JENSEN] has expired.

The question is on the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 63, noes 144.

So the amendment was rejected.

The Clerk read as follows:

TRANSFER OF WAR HOUSING TO FEDERAL WORKS ADMINISTRATION

SEC. 3. (a) The functions of the National Housing Administrator and of the National Housing Agency with respect to war housing are hereby transferred to the Administrator.

(b) There are hereby transferred to the Administrator, to be used or held in connection with the exercise of the functions transferred by this section, (1) the records and property used or held on the date of the enactment of this act in connection with such functions, and (2) so much of the unexpended balances of appropriations, allocations, or other funds available for use by the National Housing Administrator or the National Housing Agency in the exercise of such functions as the Director of the Budget shall determine.

SALE OF WAR HOUSING

SEC. 4. (a) All war housing (except mortgages, liens, or other interests as security) transferred to the Administrator by section 3 shall, subject to the provisions of this act, be sold for cash as expeditiously as possible and not later than December 31, 1948. Wherever practicable each dwelling in a war housing project shall be offered for sale separately from other dwellings in such project. Any mortgage, lien, or other interest as security transferred to the Administrator by section 3 or acquired by him under this act pursuant to a contract entered into prior to February 26, 1947, may, subject to the provisions of this section, be sold for cash.

(b) (1) Except as provided in paragraph (2) of this subsection, the price to be paid for war housing sold under this act shall be a price not less than the reasonable value thereof at the time of the offer for sale as determined by appraisal made by an appraiser or appraisers designated by the Federal Housing Administrator.

(2) The price to be paid for any mortgage, lien, or other interest as security sold under this section shall be a price not less than the unpaid principal (plus accrued interest thereon) of the obligation with respect to which the mortgage, lien, or other interest as security is held.

(c) Except as provided in subsections (a) and (b), the sale of war housing under this act shall be with or without warranty and upon such other terms and conditions as the Administrator deems proper.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: On page 4, line 3, after "1948" in line

3, strike out the period, substitute a semicolon, and insert "Provided, That any veteran holding a terminal-leave-pay bond shall be permitted to use said bond as a cash payment on the purchase price of any dwelling in the war-housing project purchased by said veteran, and said Administrator is authorized and directed to accept said terminal-leave bond as cash payment at its full face value, plus all accrued interest."

Mr. ROGERS of Florida. Mr. Chairman, I spoke on this amendment a few moments ago, but inasmuch as just a few Members were present then I am going to repeat to some extent what I said.

I am offering this amendment to provide that a veteran who holds a terminal-leave-pay bond, who wants to buy one of these units in a housing project can use this bond as a part payment. As was said by the fine chairman of the Committee on Banking and Currency, the only thing we have given to the veteran so far is a priority. We have given him a priority, but unless they have something to carry out that priority the gift that the Congress has made them amounts to nothing.

I am glad to say to the membership of this House that before I prepared this amendment I asked the distinguished gentleman from Michigan, chairman of the Committee on Banking and Currency, if he had any objection to it, and I am glad to say that he did not.

The proviso, as I say, is merely that the Administrator is authorized and directed to accept terminal leave pay bonds as part of the cash payment.

That does not affect anything so far as the Treasury is concerned. The bonds are not payable until maturity, but the Administrator is just taking property that is real and transferring it to property which is personal.

I do not see how any Member of the House who wants to show any interest at all in helping the veterans can object to this amendment. This gives him something real instead of just a priority. I do not believe any Member will object to the amendment.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is a very important amendment. Certainly the amendment is predicated upon justice. I do not know of any amendment in a long while that has appealed to me so much. Let me read it:

Provided, That any veteran holding a terminal-leave-pay bond shall be permitted to use such bond as cash payment.

That means a part of the cash payment. It seems to me this is an excellent way to accomplish several desirable objectives. If the veteran is to buy a home from the Government, certainly the Government ought to permit him to use his terminal-leave-pay bond. That is something of real benefit to the veteran, for it enables him to get a home. It may be the one thing that will enable him to get a home, with other cash. He may not have sufficient cash to make the complete down payment. This terminal leave pay bond might supply the difference.

Permitting the use of terminal-leave-pay bonds in this manner carries out sev-

eral objectives and at the same time discharges an outstanding obligation of the Government.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MASON. I understand there is no objection to this amendment.

Mr. McCORMACK. Then I shall be very glad to yield the floor.

Mr. VAN ZANDT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there is a question in my mind as to the germaneness of this amendment; furthermore, I doubt whether or not we can make these bonds negotiable in view of the fact that the basic act makes them nonnegotiable. If this amendment is adopted and it is possible for the veteran to apply the value of his bond to the purchase of a home, I think we are discriminating against the majority of the veterans of World War II who hold bonds and who are awaiting the necessary congressional action to make these bonds negotiable for all purposes. In the near future the House Committee on the Armed Services will give consideration to the necessary amendments that will provide the veterans of World War II who hold terminal leave bonds the privilege of cashing them at face value or holding them until maturity.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Illinois.

Mr. MASON. This would be the same method of cashing them, by applying them as a cash payment on the purchase of a home.

Mr. VAN ZANDT. Yes; but it is discriminatory in that it applies to one class of veterans, those who wish to purchase a home. The rest of the veterans would have to continue holding their bonds.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. Does the gentleman consider there is discrimination because these bonds may be used as payment for national life insurance? Is that discrimination? They can use them at the present time to pay their insurance.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. There is a very decided difference between the national life insurance premiums being paid by these bonds and applying them on a very limited number of houses. In my community there will be approximately 119 houses made available for sale under this act. Who is going to select the 119 veterans who are going to be put in that preferred position of now having their bonds paid in cash with interest that is not due for 3 or 4 years? I agree wholeheartedly with the gentleman from Pennsylvania. Let us deal with this thing in a proper way by making these bonds payable in cash at the earliest possible opportunity.

Mr. ROGERS of Florida. Who is going to select them when they come in and are paid on a cash basis?

Mr. MILLER of Connecticut. Every one of them are paid in cash.

Mr. VAN ZANDT. Mr. Chairman, the question before us is of such importance that it should only be considered after the House Committee on Armed Services has had an opportunity to perfect a bill to make possible the cashing of these bonds. Let us not make the mistake of hasty and inconsiderate action that will benefit only a handful of veterans. Let us do the job right in fairness to the several millions of veterans who hold terminal-leave bonds.

Mr. Chairman, I ask for the defeat of the pending amendment.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Arkansas.

Mr. HARRIS. If it is right for the terminal leave bonds to be made available for housing necessities, is it not also right that they be made available for other necessities of life that the veterans have to provide for?

Mr. VAN ZANDT. That is correct. I am in favor of giving the veterans the right to cash their terminal leave bonds, but I believe the necessary legislation should be brought to this floor and due consideration given to it so that every veteran will be able to cash those bonds and not just those who may purchase real estate.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Florida.

Mr. SMATHERS. Has the gentleman signed the discharge petition to bring this bill to cash terminal leave bonds to the floor? Has the gentleman signed that to bring it on the floor?

Mr. VAN ZANDT. I happen to be a member of the subcommittee of the Committee on Armed Services that will consider legislation on the subject very shortly. In my opinion it is unnecessary to circulate a discharge petition in behalf of legislation to cash terminal leave bonds. I have introduced H. R. 2 to provide for cashing terminal leave bonds and would have circulated a discharge petition myself if I had any doubt that the legislation would not be considered during this session of Congress.

Mr. SMATHERS. It can be considered right away if the gentleman will sign it and get some of his friends to sign that petition.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Mississippi.

Mr. COLMER. If this amendment is adopted, those veterans who want to use the certificates for that purpose may use them. That would not discriminate against them. Why could not that be done pending the bringing out of the bill which would pay them in cash that the gentleman from Florida has been working on? I do not see how it would be a discrimination against anybody. It would give relief to that many. Does the gentleman agree with that?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. HARRIS. Mr. Chairman, reserving the right to object, the gentleman from Mississippi would like to have 5 minutes and I hope the gentleman will permit him to consume that much time.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 6 minutes, to be equally divided between the gentleman who are on their feet and any member of the committee who may be opposed to the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The gentleman from Mississippi [Mr. WILLIAMS] is recognized.

Mr. WILLIAMS. Mr. Chairman, since I have been a Member of Congress, I have watched it treat veterans as if they did not have enough sense to know what to do with their own money. I want to remind the Congress that the veterans of our country are grown men. I think that certainly we should recognize the fact that they have sense enough to know what to do with their own money. For that reason I think we ought to go ahead and allow them to cash these bonds.

I was somewhat surprised at my good friend from Pennsylvania when he stood up here and spoke against allowing veterans to use their terminal leave bonds as a part payment on a home. I am surprised. He has always been a friend of the veterans, so I am sure he is possibly a little misled on this subject, because he says he wants them to be given the right to cash those bonds, but is against this amendment. Certainly this amendment would be a step in the right direction. It is his party that says that the boys cannot cash them; it is not our party. The bill is in a Republican committee of a Republican Congress.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. If my memory serves me correctly, I was not here then. I was in the service, but during the Seventy-ninth Congress the gentleman's party was in control of this House, and they were the ones that passed the bill.

Mr. WILLIAMS. If the gentleman will let me reply to that. I will tell him that I was not here either. I was in a service hospital.

Mr. ANGELL. The gentleman's party held it up.

Mr. WILLIAMS. Now, whether my party held it up or not, the Republican Party is in power now, and you have the power to cash them. Two wrongs do not make a right.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from New York.

Mr. ROONEY. I ask the gentleman from Mississippi if it is not a fact that there is a discharge petition on the Clerk's desk, which would relieve the committee from considering the bill to cash terminal leave bonds.

Mr. WILLIAMS. I understand this Republican-controlled committee refused to bring this bill out on the floor. So, as a last resort, the author of the bill placed a petition on the Speaker's desk and it is up there now. If you really want to pay these bonds, sign this petition in order to bring it up. You ought to give these boys a right to cash these bonds. There are very few Members, to my left, if any, who have signed that petition.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Illinois.

Mr. ARENDS. I think I might be able to throw some light on this matter. When the question was up last year whether they should be paid in cash or be paid in bonds I was a member of the conference committee. The House voted to pay in cash. We sat in conference for a number of days and finally, word came from the White House that the bill would not be signed unless they took the bonds and therefore we took the bonds.

Mr. WILLIAMS. I was not here then.

Mr. ROGERS of Florida. Mr. Chairman, if the gentleman will yield, I hope that they will not make this a party issue. It is the interest of the veteran that I am concerned with.

The CHAIRMAN. The time of the gentleman from Mississippi has expired. Mr. MILLER of Connecticut. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I certainly do not want to get involved in a partisan argument. The last thing in the world I want to do is to get into an argument with my distinguished friend the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, if the gentleman will yield, I think we are both in accord on cashing these bonds.

Mr. MILLER of Connecticut. I am in accord on that point, and I believe the bonds should be cashed at the earliest possible moment. I have confidence in the leadership of my party that the matter will be considered in due time and by the proper committee. I am not going to be jockeyed into signing a discharge petition, but I say, when we deal with it, let us deal with it for all veterans and not a mere handful. It will be a comparatively small number that can use their bonds to get these houses that are going to be offered for sale on the market. If you want to do that, if you want to make these bonds payable for the purchase of a house, let us require the FHA to accept these terminal-leave bonds in payment for the purchase of any other real estate, not require any cash at all, and the mortgage to be insured by FHA. I could go along with that, but I cannot go along with an amendment the benefits of which will be limited to a few veterans. In my community, out of 1,400 veterans there will be 119 that will have a chance to buy

a home now. In some communities a few hundred miles away, with no war housing whatsoever, such veterans will not have an opportunity to buy them. I think the proper committee of the House should continue its hearings on the question of cashing the terminal leave bonds and thereby reach the objective that the gentleman from Florida so earnestly desires, the payment of the bonds at the earliest possible moment.

I urge, for that reason and that reason alone, that the amendment be defeated and that we deal with the subject matter at the proper time.

The CHAIRMAN. The time of the gentleman from Connecticut has expired. All time has expired.

The question is on the amendment offered by the gentleman from Florida [Mr. ROGERS].

The question was taken; and on a division (demanded by Mr. ROONEY) there were—ayes 100, noes 123.

Mr. ROGERS of Florida. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WOLCOTT and Mr. ROGERS of Florida.

The Committee again divided, and the tellers reported that there were—ayes 100, noes 137.

So the amendment was rejected.

Mr. RAINS. Mr. Chairman, I offer an amendment, which is at the Clerk's desk. The Clerk read as follows:

Amendment offered by Mr. RAINS:
On page 4, immediately following section 4, add the following new section:

"Transfer of war housing to the War or Navy Department.
"SEC. 5. Notwithstanding the provisions of this act or any other provision of law, the Administrator may in his discretion upon the request of the Secretaries of War or Navy transfer to the jurisdiction of the War or Navy Department any war housing that may be considered to be permanently useful to the Army or Navy."

Renumber sections 5, 6, 7, 8, 9, and 10, as sections 6, 7, 8, 9, 10, and 11, respectively.

Mr. WOLCOTT. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BENDER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3492) to provide for the expeditious disposition of certain war housing, and for other purposes, had come to no resolution thereon.

SUPPORT PRICE ON WOOL—CONFERENCE REPORT

Mr. HOPE submitted a conference report and statement on the bill S. 814, an act to provide support for wool, and for other purposes, for printing, under the rule.

EXTENSION OF REMARKS

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill H. R. 3492 may have five legislative days in which to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

REPORT ON H. R. 3769

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file a report on the bill H. R. 3769.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. GAVIN asked and was granted permission to extend his remarks in the RECORD in two instances and to include two editorials.

Mr. McDONOUGH asked and was granted permission to extend his remarks in the RECORD and include a speech he recently made.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the RECORD and include certain extraneous matter.

Mr. SPRINGER asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Indianapolis Times.

Mr. DONDERO asked and was granted permission to extend his remarks in the RECORD and include a newspaper article.

Mr. JOHNSON of California (at the request of Mr. DONDERO) was given permission to extend his remarks in the Appendix of the RECORD with reference to the Mundt bill.

Mr. STEVENSON asked and was granted permission to extend his remarks in the RECORD and include a statement made before the Subcommittee on Retirement Legislation of the Civil Service Committee of the House of Representatives regarding the report of the actuaries of the Civil Service Commission retirement and disability fund.

Mr. HAND asked and was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. BYRNES of Wisconsin asked and was granted permission to revise and extend the remarks he made today in Committee of the Whole and include a resolution adopted by the common council of the city of Manitowac.

Mr. ARNOLD asked and was granted permission to extend his own remarks in the RECORD.

Mr. POTTS asked and was granted permission to extend his remarks in the RECORD and include an article.

Mr. LODGE asked and was granted permission to extend his remarks in the RECORD and include a newspaper article.

Mr. MUNDT asked and was granted permission to extend his remarks in the RECORD and include a recent public statement by Secretary of State Marshall on the importance of the student exchange program.

Mr. RANKIN asked and was granted permission to extend his remarks in the Appendix of the RECORD and include the address made by President Truman at Ottawa, Canada, on yesterday.

Mr. BLATNIK asked and was granted permission to extend his remarks in the RECORD.

Mr. MANSFIELD of Montana (at the request of Mr. CARROLL) was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made earlier today and include two schedules showing the States wherein the Lanham permanents are located, and a statement showing projects requested by community or low-rent transfer based on central office approval of Form 1279.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. EDWIN ARTHUR HALL, for Friday, June 13, on account of illness of mother.

To Mr. JOHNSON of California, for Friday, Saturday, and Monday, June 13, 14, and 16, 1947, on account of sickness of mother.

To Mr. LANE, for June 13, 1947, on account of attendance at the funeral of ex-Senator David I. Walsh.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 38 minutes p. m.), under its previous order, the House adjourned until tomorrow, Friday, June 13, 1947, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

782. A letter from the Administrator, Federal Security Agency, transmitting a draft of a proposed bill to amend the Public Health Service Act to permit certain expenditures, and for other purposes; to the committee on Interstate and Foreign Commerce.

783. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill to authorize the leasing of salmon trap sites in Alaskan coastal waters and for other purposes; to the Committee on Merchant Marine and Fisheries.

784. A letter from the Acting Secretary of the Navy, transmitting report of a proposed transfer to the American Naval Cadets of naval equipment; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DONDERO: Committee on Public Works. H. R. 3792. A bill to provide for emergency flood-control work made necessary by recent floods, and for other purposes; without amendment (Rept. No. 563). Referred to the Committee of the Whole House on the State of the Union.

Mr. LeCOMPTE: Committee on House Administration. House Resolution 94. Resolution to provide funds for the expenses of the investigation authorized by House Resolution 93; without amendment (Rept. No. 572). Referred to the House Calendar.

Mr. LeCOMPTE: Committee on House Administration. House Resolution 163. Resolution to provide funds for the conduct of the investigation continued by House Resolution 153; with an amendment (Rept. No. 573). Referred to the House Calendar.

Mr. LeCOMPTE: Committee on House Administration. House Resolution 228. Resolution to provide funds for the expenses of the investigation and study authorized by House Resolution 195; without amendment (Rept. No. 574). Referred to the House Calendar.

Mr. LeCOMPTE: Committee on House Administration. House Resolution 177. Resolution providing for the expenses incurred by House Resolution 176; without amendment (Rept. No. 575). Referred to the House Calendar.

Mr. LeCOMPTE: Committee on House Administration. House Resolution 185. Resolution relative to the expenses of conducting the studies and investigations with respect to the activities of the Department of State relative to personnel and efficiency and economy of its operations; with an amendment (Rept. No. 576). Referred to the House Calendar.

Mr. LeCOMPTE: Committee on House Administration. Senate Joint Resolution 69. Joint resolution to prepare a revised edition of the Annotated Constitution of the United States of America as published in 1938 as Senate Document 232 of the Seventy-fourth Congress; without amendment (Rept. No. 577). Referred to the House Calendar.

Mr. LeCOMPTE: Committee on House Administration. House Resolution 233. Resolution for the relief of Pearl Cox; without amendment (Rept. No. 578). Referred to the House Calendar.

Mr. LeCOMPTE: Committee on House Administration. House Resolution 245. Resolution authorizing the printing of additional copies of House Report No. 510, current Congress, being the conference report on the bill (H. R. 3020) entitled "Labor-Management Relations Act, 1947"; without amendment (Rept. No. 579). Referred to the House Calendar.

Mr. HOFFMAN: Committee on Expenditures in the Executive Departments. House Concurrent Resolution 51. Concurrent resolution against adoption of Reorganization Plan No. 3 of May 27, 1947; without amendment (Rept. No. 580). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONDERO: Committee on Public Works. H. R. 2955. A bill authorizing and directing the Commissioner of Public Buildings to determine the fair market value of the Fidelity Building in Kansas City, Mo., to receive bids for the purchase thereof, and for other purposes; without amendment (Rept. No. 581). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONDERO: Committee on Public Works. H. R. 3219. A bill to authorize the Federal Works Administrator or officials of the Federal Works Agency duly authorized by him to appoint special policemen for duty upon Federal property under the jurisdiction of the Federal Works Agency, and for other purposes; without amendment (Rept. No. 582). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONDERO: Committee on Public Works. H. R. 3146. A bill to amend section 3 of the Flood Control Act approved August 28, 1937, and for other purposes; without amendment (Rept. No. 583). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of Illinois: Committee on the Judiciary. H. R. 3769. A bill to provide that membership in the National Guard shall not disqualify a person from serving as a part-time referee in bankruptcy; with an amendment (Rept. No. 585). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. SPRINGER: Committee on the Judiciary. S. 317. An act for the relief of Robert B. Jones; without amendment (Rept. No. 564). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. S. 470. An act for the relief of John H. Gradwell; without amendment (Rept. No. 565). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. S. 514. An act for the relief of the legal guardian of Sylvia De Cicco; without amendment (Rept. No. 566). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. S. 561. An act for the relief of Robert C. Birkes; without amendment (Rept. No. 567). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. S. 824. An act for the relief of Marion O. Cassidy; without amendment (Rept. No. 568). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. S. 882. An act for the relief of A. A. Pelletier and P. C. Silk; without amendment (Rept. No. 569). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 710. A bill for the relief of Fritz Hallquist; with amendments (Rept. No. 570). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 718. A bill for the relief of Clarence J. Wilson and Margaret J. Wilson; with an amendment (Rept. No. 571). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEALL:

H. R. 3807. A bill to provide for the operation of the recreational facilities within the Catoclin recreational demonstration area, near Thurmont, Md., by the Secretary of the Interior through the National Park Service, and for other purposes; to the Committee on Public Lands.

By Mr. HEDRICK:

H. R. 3808. A bill to make inapplicable to future actions and proceedings section 200 (1) and (2) of the Soldiers' and Sailors' Civil Relief Act of 1940, relating to default judgments; to the Committee on Armed Services.

By Mr. JOHNSON of California:

H. R. 3809. A bill to provide for the payment of subsistence allowances to members of the armed forces who were held captive by the enemy during World War II; to the Committee on Armed Services.

By Mr. KEAN:

H. R. 3810. A bill to amend section 522 of the Tariff Act of 1930 so as to clarify the procedure in ascertaining the value of foreign currency for customs purposes where there are dual or multiple exchange rates, and for other purposes; to the Committee on Ways and Means.

By Mr. KEOGH:

H. R. 3811. A bill to authorize the Attorney General and his assistants and United States district attorneys and their assistants to act as notaries public; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 3812. A bill to promote equitable personnel practices in the Federal Government by the establishment of a Federal Appeal Board, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. REES:

H. R. 3813. A bill to provide for removal from, and the prevention of appointment to, offices or positions in the executive branch of the Government of persons who are found to be disloyal to the United States; to the Committee on Post Office and Civil Service.

By Mrs. ROGERS of Massachusetts:

H. R. 3814. A bill to provide for the establishment of a veterans' hospital for Negro veterans at the birthplace of Booker T. Washington in Franklin County, Va.; to the Committee on Veterans' Affairs.

By Mr. VAN ZANDT:

H. R. 3815. A bill to provide Federal aid to the States for the construction of armories and similar training facilities for the National Guard and Naval Militia; to the Committee on Armed Services.

By Mr. HORAN:

H. R. 3816. A bill providing for a District of Columbia Sales and Compensating Use Tax Act of 1947; to the Committee on the District of Columbia.

By Mr. FLOESER:

H. R. 3817. A bill authorizing the transfer of certain real property for wildlife and other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. KNUTSON:

H. R. 3818. A bill to amend the Federal Insurance Contributions Act with respect to rates of tax on employers and employees, and for other purposes; to the Committee on Ways and Means.

By Mr. WILSON of Indiana:

H. R. 3819. A bill to amend the act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes," approved December 22, 1944, with respect to the Clark Hill Reservoir on the Savannah River in South Carolina and Georgia; to the Committee on Public Works.

By Mr. GILLIE:

H. J. Res. 216. Joint resolution to provide for designation of the Veterans' Administration hospital at Fort Wayne, Ind., as the Thomas Lau Suedhoff Memorial Hospital; to the Committee on Veterans' Affairs.

By Mr. WELCH:

H. Res. 244. Resolution for the initiation of investigations looking to the provision of additional water for southern California and the Colorado River Basin, and for other purposes; to the Committee on Public Lands.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Nebraska, memorializing the President and the Congress of the United States to ratify a proposed amendment to the Constitution of the United States relating to terms of office of the President of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LEONARD W. HALL:

H. R. 3820. A bill for the relief of Leo Gottlieb; to the Committee on the Judiciary.

By Mr. HARRIS:

H. R. 3821. A bill to authorize and direct the Secretary of the Interior to issue a patent for certain lands and for the minerals therein; to the Committee on Public Lands.

By Mr. LEA:

H. R. 3822. A bill for the relief of Howard S. Lawson; Winifred G. Lawson, his wife; Walter P. Lawson; and Nita R. Lawson, his wife; to the Committee on the Judiciary.

By Mr. RUSSELL:

H. R. 3823. A bill for the relief of Domingo Ozamis Ormaechea; to the Committee on the Judiciary.

By Mr. WEICHEL:

H. R. 3824. A bill for the relief of Mrs. Cletus E. Todd (formerly Laura Estelle Ritter); to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

627. By Mr. CANNON: Petition signed by 305 citizens of Albion, Nebr., protesting the elimination of Federal cooperation in the farm-conservation program; to the Committee on Appropriations.

628. By the SPEAKER: Petition of the Maryland State and District of Columbia Federation of Labor, petitioning consideration of their resolution with reference to request for veto of Taft-Hartley bill; to the Committee on Education and Labor.

629. Also, petition of the membership of the Stuart Townsend Club, No. 1, Stuart, Fla., petitioning consideration of their resolution with reference to enactment of a uniform national insurance program; to the Committee on Ways and Means.

630. Also, petition of Mrs. Albina Bibeau and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

631. Also, petition of Mr. Wilbert B. Scott, Daytona Beach, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

FRIDAY, JUNE 13, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

God of our fathers, in whose name this Republic was born, we pray that by Thy help we may be worthy to receive Thy blessings upon our labors.

In the troubled and uneasy travail before the birth of lasting peace, when men have made deceit a habit, lying an art, and cruelty a science, help us to show the moral superiority of the way of life we cherish. Here may men see truth upheld, honesty loved, and kindness practiced. In our dealings with each other, may we be gentle, understanding, and kind, with our tempers under control. In our dealings with other nations, may we be firm without obstinacy, generous without extravagance, and right without compromise. We do not pray that other nations may love us, but that they may know that we stand for what is right, unafraid, with the courage of our convictions.

May our private lives and our public actions be consistent with our prayers. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 12, 1947, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S. J. Res. 69) to prepare a revised edition of the Annotated Constitution of the United States of America as published in 1938 as Senate Document 232 of the Seventy-fourth Congress.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 959. An act to amend section 3179 (b) of the Internal Revenue Code;

H. R. 3791. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes; and

H. R. 3792. An act to provide for emergency flood-control work made necessary by recent floods, and for other purposes.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. WHITE. Mr. President, I ask unanimous consent that the Subcommittee on Immigration of the Judiciary Committee be permitted to sit during today's session of the Senate.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. WHITE. I also ask unanimous consent that the Committee on Interstate and Foreign Commerce may be permitted to sit during this afternoon's session of the Senate.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. HILL. Mr. President, at the request of the senior Senator from Missouri [Mr. DONNELL], I ask unanimous consent that the subcommittee of which he is the chairman, of the Committee on Labor and Public Welfare, may be permitted to sit today during the session of the Senate.

The PRESIDENT pro tempore. Without objection, the order is made.

CALL OF THE ROLL

Mr. JOHNSTON of South Carolina. Mr. President—

The PRESIDENT pro tempore. The Senator from South Carolina [Mr. JOHNSTON] is recognized.

Mr. HILL. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

The PRESIDENT pro tempore. Does the Senator from South Carolina yield for that purpose?

Mr. JOHNSTON of South Carolina. I yield for that purpose.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDENT pro tempore. Thirty-eight Senators are accounted for. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators.

The roll call disclosed the presence of the following Senators:

Alben	Buck	Connally
Ball	Bushfield	Cooper
Barkley	Butler	Cordon
Brewster	Byrd	Donnell
Bricker	Cain	Downey
Bridges	Capper	Dworshak
Brooks	Chavez	Eaton